

FEDERAL REGISTER

THE NATIONAL ARCHIVES
 OF THE UNITED STATES
 1934

VOLUME 4
 NUMBER 146

Washington, Tuesday, August 1, 1939

Rules, Regulations, Orders

TITLE 7—AGRICULTURE DIVISION OF MARKETING AND MARKETING AGREEMENTS

[Order No. 20, as amended]

MARKETING ORDERS

PART 920—ORDER, AS AMENDED, REGULATING
THE HANDLING OF MILK IN THE LA PORTE
COUNTY, INDIANA, MARKETING AREA¹*

Sec.

- 920.0 Findings.
- 920.1 Definitions.
- 920.2 Market administrator.
- 920.3 Classification of milk.
- 920.4 Minimum prices.
- 920.5 Reports of handlers.
- 920.6 Handlers who are also producers.
- 920.7 Determination of uniform prices to producers.
- 920.8 Payments for milk.
- 920.9 Marketing services.
- 920.10 Effective time, suspension, or termination of order, as amended.
- 920.11 Liability.

Whereas, M. L. Wilson, Acting Secretary of Agriculture of the United States of America, pursuant to the provisions of Title I of Public Act No. 10, 73d Congress, as amended (48 Stat. 31), issued on November 9, 1937, Order No. 20² regulating the handling of milk in the La Porte County, Indiana, marketing area, said order being effective November 13, 1937; and

Whereas, said order was amended, effective August 20, 1938;³ and

Whereas, the Secretary, on September 24, 1937, tentatively approved the marketing agreement regulating the handling of milk in the La Porte County, Indiana, marketing area, an amendment to which was tentatively approved on July 15, 1938; and

Whereas, the Secretary, having reason to believe that said tentatively approved

marketing agreement, as amended, and said order, as amended, should be further amended, gave, on the 18th day of May 1939, notice of a hearing⁴ to be held on the 23d day of May 1939, at La Porte, Indiana, on certain proposed amended provisions of said tentatively approved marketing agreement, as amended, and of said order, as amended, and at said place, on the 23d and 24th days of May 1939, conducted a public hearing at which all interested parties were afforded an opportunity to be heard on said proposed amended provisions; and

Whereas, after such hearing and after the tentative approval, on the 30th day of June 1939, by the Secretary, of a marketing agreement, as amended, handlers of more than 50 percent of the volume of milk covered by this order, as amended, which is marketed within the La Porte County, Indiana, marketing area, refused or failed to sign such tentatively approved marketing agreement, as amended, relating to milk; and

Whereas, the Secretary determined, on the 28th day of July 1939,⁵ said determination being approved by the President of the United States on the 28th day of July 1939, that said refusal or failure tends to prevent the effectuation of the declared policy of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), and that this order, as amended, is the only practical means, pursuant to such policy, of advancing the interests of producers of milk in said area and is approved or favored by over 67 percent of the producers voting in a referendum, who, during the month of April 1939, said month having been determined by the Secretary to be a representative period, were engaged in the production of milk for sale in the La Porte County, Indiana, marketing area; and

Whereas, the provision of the order providing for the payment to all pro-

⁴ 4 F.R. 2076 DL.

⁵ See page 3498.

CONTENTS

RULES, REGULATIONS, ORDERS

TITLE 7—AGRICULTURE:	Page
Division of Marketing and Marketing Agreements:	
La Porte County, Ind., Marketing Area, handling of milk	3481
TITLE 14—CIVIL AVIATION:	
Civil Aeronautics Authority:	
Airway traffic control area designations amended....	3486
TITLE 16—COMMERCIAL PRACTICES:	
Federal Trade Commission:	
Cease and desist orders:	
Chenille Corp. of America..	3487
Gold Medal Farms, Inc., et al.....	3487
TITLE 24—HOUSING CREDIT:	
Federal Housing Administration:	
Multifamily and group housing insurance, administrative rules and regulations.....	3489
TITLE 41—PUBLIC CONTRACTS:	
Division of Public Contracts:	
Determination of prevailing minimum wage in:	
Photographic supplies industry	3496
Soap industry.....	3497

NOTICES

Civil Aeronautics Authority:	
Notice of hearings:	
Franklin, John Merryman, and Pan American Airways, Inc., et al.....	3499
Morgan, Thomas A., and Pan American Airways, Inc., et al.....	3499
Postmaster General (certification as to transportation of mail).....	3500
Department of Agriculture:	
Division of Marketing and Marketing Agreements:	
La Porte, Ind., Marketing Area, determination with respect to regulatory order on handling of milk	3498

(Continued on next page)

¹ Code of Federal Regulations.
² Section 920.0 to and including Section 920.11 issued under the authority contained in 48 Stat. 31 (1933), 7 U.S.C. 601 et seq. (1934); 49 Stat. 750 (1935); 50 Stat. 246 (1937), 7 U.S.C. 601 et seq. (Sup. IV 1938).

² F.R. 1943 DL.

³ F.R. 2015 DL.



Published by the Division of the Federal Register, The National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. L. 500), under regulations prescribed by the Administrative Committee, with the approval of the President.

The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

The daily issue of the **FEDERAL REGISTER** will be furnished by mail to subscribers, free of postage, for \$1 per month or \$10 per year; single copies 10 cents each; payable in advance. Remit by money order payable to Superintendent of Documents, Government Printing Office, Washington, D. C.

Correspondence concerning the publication of the **FEDERAL REGISTER** should be addressed to the Director, Division of the Federal Register, The National Archives, Washington, D. C.

CONTENTS—Continued

Department of Agriculture—Con.	
Farm Security Administration:	Page
Bankhead-Jones Farm Tenant Act, equitable distribution of funds for fiscal year ending June 30, 1940	3498
Department of Labor:	
Wage and Hour Division:	
Learners, issuance of special certificates for employment of	3499
Securities and Exchange Commission:	
Dakota Power Co., General Public Utilities, Inc., order relative to declaration and applications	3500
Jersey Central Power & Light Co., hearing postponed	3501
Oklahoma Power and Water Co., effectiveness of declaration	3501
Simon Silver-Lead Mines, Inc., registration withdrawn	3500
Standard Oil Co. of Kans., listing and registration	3501
Staten Island Edison Corp., application withdrawn	3501
United States Tariff Commission:	
Cotton textiles, investigation	3501

ducers whose milk is received by the same handler of uniform prices for all milk received from such producers by such handler is approved or favored by at least three-fourths of the producers who, during the month of April 1939, said month having been determined by the Secretary to be a representative period, were engaged in the production for market of milk covered in such order, as amended, said approval being separate

and apart from the approval of producers as set forth above; and

Whereas, the Secretary finds, upon the evidence introduced at the above-mentioned hearing, said findings being in addition to the findings made upon the evidence introduced at the hearings on said order and on said amendment and to the other findings made prior to or at the time of the original issuance of said order and of said amendment (which findings are hereby ratified and affirmed, save only as such findings are in conflict with the findings hereinafter set forth):

§ 920.0 *Findings.* 1. That the classification of milk into four classes is a proper basis for the pricing of milk which is disposed of by handlers;

2. That the prices calculated to give milk handled in the marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to section 2 and section 8 (e) of the act are not reasonable in view of the available supplies of feeds, the price of feeds, and other economic conditions which affect the supply of and demand for such milk, and that the minimum prices set forth in this order, as amended, are such prices as will reflect such factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest;

3. That the order, as amended, regulates the handling of milk in the same manner as, and is applicable only to handlers specified in, the tentatively approved marketing agreement, as amended, upon which hearings have been held; and

4. That the issuance of the order, as amended, and all of its terms and conditions will tend to effectuate the declared policy of the act.

Now, therefore, the Secretary of Agriculture, pursuant to the powers conferred upon him by the terms and provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, hereby orders that such handling of milk in the La Porte County, Indiana, marketing area, as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce, shall, from the effective date hereof, be in compliance with the following terms and conditions:

§ 920.1 *Definitions.*—(a) *Terms.* The following terms shall have the following meanings:

(1) The term "act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937.

(2) The term "Secretary" means the Secretary of Agriculture of the United States.

(3) The term "La Porte County, Indiana, marketing area," hereinafter called the "marketing area," means the territory within the townships of Scipio,

Pleasant, Kankakee, Center, Cool Spring, Michigan, Springfield, Galena, and Hudson, all in La Porte County, Indiana.

(4) The term "person" means any individual, partnership, corporation, association, or any other business unit.

(5) The term "producer" means any person, irrespective of whether such person is also a handler, who produces milk which is received at a plant from which milk is disposed of in the marketing area.

(6) The term "handler" means any person, irrespective of whether such person is also a producer, who purchases or receives milk from producers, associations of producers, or other handlers, all, or a portion, of which milk is disposed of as milk in the marketing area, and who, on his own behalf or on behalf of others, engages in such handling of milk as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce in milk and its products.

(7) The term "market administrator" means the person designated pursuant to Sec. 920.2 as the agency for the administration hereof.

(8) The term "delivery period" means the current marketing period from the first to, and including, the last day of each month.

(9) The term "base" means the quantity of milk calculated for each producer pursuant to Sec. 920.7 (d).

§ 920.2 *Market administrator.*—(a) *Selection, removal, and bond.* The market administrator shall be selected by the Secretary and shall be subject to removal by him at any time. The market administrator shall, within 45 days following the date upon which he enters upon his duties, execute and deliver to the Secretary a bond, conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary.

(b) *Powers.* The market administrator shall have power:

(1) To administer the terms and provisions hereof; and

(2) To receive, investigate, and report to the Secretary complaints of violations of the terms and provisions hereof.

(c) *Duties.* The market administrator, in addition to the duties hereinafter described, shall:

(1) Keep such books and records as will clearly reflect the transactions provided for herein.

(2) Submit his books and records to examination by the Secretary at any and all times.

(3) Furnish such information and such verified reports as the Secretary may request.

(4) Obtain a bond with reasonable security thereon covering each employee who handles funds entrusted to the market administrator.

(5) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who, within 15 days after the date upon

which he is required to perform such acts, has not (a) made reports pursuant to Sec. 920.5 or (b) made payments pursuant to Sec. 920.8.

§ 920.3 Classification of milk—(a) Sales and use classification. Milk received by each handler, including milk produced by him, if any, shall be classified by the market administrator as follows:

(1) Class I milk shall be all milk disposed of in the form of milk, and all milk not specifically accounted for as Class II milk, Class III milk, or Class IV milk.

(2) Class II milk shall be all milk used to produce flavored milk drinks, cream (for consumption as cream), creamed buttermilk, or creamed cottage cheese.

(3) Class III milk shall be all milk specifically accounted for as used to produce a milk product other than those specified in Class II milk and Class IV milk.

(4) Class IV milk shall be all milk specifically accounted for (a) as being used to produce butter, and (b) as actual plant shrinkage but not to exceed 3 percent of the total receipts of milk from producers.

(b) *Interhandler and nonhandler sales.* Milk disposed of by a handler to another handler, or to a person not a handler but who distributes milk or manufactures milk products, shall be considered to be Class I milk. In the event that such selling handler on or before the date fixed for filing reports pursuant to Sec. 920.5 furnishes proof satisfactory to the market administrator that such milk has been disposed of by such purchaser other than as Class I milk, then, and in that event, such milk shall be classified in accordance with such proof.

(c) *Computation of butterfat in each class.* For each delivery period, the market administrator shall compute for each handler the butterfat in each class, as set forth in paragraph (a) of this section, as follows:

(1) Determine the pounds of butterfat received as follows: (a) multiply the weight of the milk received from producers by its average butterfat test; (b) multiply the weight of the milk produced by him, if any, by its average butterfat test; (c) multiply the weight of the milk received from handlers, if any, by its average butterfat test; and (d) add together the resulting amounts.

(2) Determine the pounds of butterfat in Class I milk as follows: (a) convert to quarts the quantity of milk disposed of in the form of milk, and multiply by 2.15; (b) multiply the result by the average butterfat test of such milk; and (c) if the quantity of butterfat so computed when added to the pounds of butterfat in Class II milk, Class III milk, and Class IV milk, computed pursuant to subparagraphs (3), (4), and (5) of this para-

graph, is less than the pounds of butterfat received, computed in accordance with subparagraph (1) of this paragraph, an amount equal to the difference shall be added to the quantity of butterfat determined pursuant to (b) of this subparagraph.

(3) Determine the pounds of butterfat in Class II milk as follows: (a) multiply the actual weight of each of the several products of Class II milk by its average butterfat test; and (b) add together the resulting amounts.

(4) Determine the pounds of butterfat in Class III milk as follows: (a) multiply the actual weight of each of the several products of Class III milk by its average butterfat test; and (b) add together the resulting amounts.

(5) Determine the pounds of butterfat in Class IV milk as follows: (a) multiply the actual weight of the product of Class IV milk by its average butterfat test; (b) subtract the pounds of butterfat in Class I milk, Class II milk, and Class III milk, computed pursuant to (b) of subparagraph (2) and pursuant to subparagraphs (3) and (4) of this paragraph, and the pounds of butterfat computed pursuant to (a) of this subparagraph, from the pounds of butterfat computed pursuant to subparagraph (1) of this paragraph, which resulting quantity shall be allowed as plant shrinkage for the purposes of this subparagraph (but in no event shall such plant shrinkage allowance exceed 3 percent of the total receipts of butterfat from producers by the handler); and (c) add together the resulting amounts.

(6) Determine the classification of the butterfat received from producers as follows:

(i) Subtract from the pounds of butterfat in each class the total pounds of butterfat which were received from other handlers and used in such class.

(ii) In the case of a handler who also distributes milk of his own production, subtract from the pounds of butterfat in each class a further amount which shall be computed as follows: divide the pounds of butterfat in said class by the pounds of butterfat in all classes and multiply by the pounds of butterfat produced by him.

(d) *Computation of milk in each class.* For each delivery period, the market administrator shall compute for each handler the hundredweight of 3.8 percent butterfat content equivalent of milk in each class, which was received from producers and to which the prices set forth in Sec. 920.4 apply, as follows:

(1) Divide the pounds of butterfat computed for each class in accordance with paragraph (c) (6) of this section by 3.8.

§ 920.4 Minimum prices—(a) Class prices. Each handler shall pay producers, at the time and in the manner set forth in Sec. 920.8, for the 3.8 per-

cent butterfat content equivalent of milk received at the handler's plant, not less than the following prices:

Class I milk—\$2.10 per hundredweight: *Provided*, That with respect to Class I milk disposed of to persons or families receiving relief from recognized relief agencies, the price shall be \$1.80 per hundredweight.

Class II milk—\$1.80 per hundredweight.

Class III milk—The price per hundredweight which shall be calculated by the market administrator as follows: Multiply by 3.8 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and add 30 percent thereof.

Class IV milk—The price per hundredweight which shall be calculated by the market administrator as follows: Multiply by 3.8 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and add 10 percent thereof.

§ 920.5 Reports of handlers—(a) Periodic reports. On or before the 5th day after the end of each delivery period each handler shall, with respect to milk or cream which was, during such delivery period, (a) received from producers, (b) received from handlers, or (c) produced by such handler, report to the market administrator, in the detail and form prescribed by him, as follows:

(1) The receipts at each plant from producers who are not handlers and the quantity of such receipts which represents the total of all milk received from producers in excess of their respective bases;

(2) The receipts at each plant from any other handler, including any handler who is also a producer;

(3) The quantity, if any, produced by such handler; and

(4) The respective quantities of milk which were disposed of for the purpose of classification pursuant to Sec. 920.3.

(b) *Reports as to producers.* Each handler shall report to the market administrator:

(1) Within 10 days after the market administrator's request, with respect to any producer for whom such information is not in the files of the market administrator, and with respect to a period or periods of time designated by the market administrator, (a) the name and address, (b) the total pounds of milk received, (c) the average butterfat test of milk received, and (d) the number of days upon which milk was received; and

(2) As soon as possible after first receiving milk from any producer, (a) the

name and address of such producer, (b) the date upon which such milk was first received, and (c) the plant at which such milk was received.

(c) *Reports of payments to producers.* Each handler shall submit to the market administrator on or before the 20th day after the end of each delivery period his producer pay roll for such delivery period which shall show for each producer (a) the net amount of such producer's payment with the prices, deductions, and charges involved, (b) the total delivery of milk with the average butterfat test thereof, and (c) the portion of such delivery which was in excess of the base of such producer.

(d) *Verification of reports.* Each handler shall permit the market administrator or his agent, during the usual hours of business, to (a) verify the information contained in reports submitted in accordance with this section, and (b) weigh milk received from each producer and sample and test milk for butterfat.

§ 920.6 *Handlers who are also producers.* (a) With respect to each handler who is also a producer:

(1) The market administrator shall, subject to the condition set forth in subparagraph (2) of this paragraph, exclude from the computations made pursuant to Sec. 920.7 (a), the quantity of milk produced by a handler which is disposed of by such handler: Provided, That where any such handler has purchased or received milk from other producers the value of the milk so produced or received shall be computed under Sec. 920.7 (a) as follows: The quantity of such milk shall be ratably apportioned among such handler's total Class I, Class II, Class III, and Class IV milk (after excluding purchases or receipts, if any, from other handlers) and multiplied by the Class I, Class II, Class III, and Class IV prices, respectively.

(2) The market administrator shall, upon prior written notice from such handler of the exercise thereof, grant the option of having all milk produced by such handler included in the computation made pursuant to Sec. 920.7 (a) in lieu of the provisions of subparagraph (1) of this paragraph.

(3) The market administrator, in computing the value of milk for any handler pursuant to Sec. 920.7, shall consider as Class IV milk any milk or cream disposed of in bulk by any such handler, who has not exercised the option set forth in subparagraph (2) of this paragraph, to another handler operating a bottling or a processing plant. If such receiving handler disposes of such milk or cream other than as Class IV milk, the market administrator, with respect to the total value computed for such receiving handler pursuant to Sec. 920.7 (a), shall add the difference between (1) the value of such milk or

cream at the Class IV price and (2) the value according to its actual usage.

§ 920.7 *Determination of uniform prices to producers—(a) Computation of the value of milk for each handler.* For each delivery period the market administrator shall compute, subject to the provisions of Sec. 920.6, the value of milk disposed of by such handler, which was not purchased or received from other handlers, as follows:

(1) Multiply by the Class I price the hundredweight of Class I milk computed pursuant to Sec. 920.3 (d);

(2) Multiply by the Class II price the hundredweight of Class II milk computed pursuant to Sec. 920.3 (d);

(3) Multiply by the Class III price the hundredweight of Class III milk computed pursuant to Sec. 920.3 (d);

(4) Multiply by the Class IV price the hundredweight of Class IV milk computed pursuant to Sec. 920.3 (d);

(5) Combine into one total the hundredweight of milk in each class computed pursuant to Sec. 920.3 (d);

(6) Combine into one total the values of the milk computed pursuant to subparagraphs (1), (2), (3), and (4) of this paragraph: *Provided*, That if milk, including skim milk is disposed of by a handler to another handler and if such selling handler has not filed reports pursuant to Sec. 920.5 (a) and made the payments required by Sec. 920.8, the market administrator shall, in computing the value of milk for the receiving handler, multiply the quantity of 3.8 percent butterfat content equivalent of milk reported by the receiving handler as received from such selling handler and classified as Class I milk, by the difference between the Class I and Class IV prices, and add the resulting sum to the value of milk otherwise computed pursuant to this paragraph.

(b) *Computation and announcement of uniform prices.* (1) The market administrator shall compute for each handler the uniform prices per hundredweight of milk received by such handler during each delivery period, except the delivery periods of June, July, August, and September, as follows:

(i) Subtract from the total value of milk computed for such handler pursuant to paragraph (a) of this section, for all milk received from a producer who did not regularly sell or distribute milk in the marketing area during a period of 30 days next preceding November 13, 1937, an amount computed by multiplying by the Class IV price the hundredweight of milk received from such producer. Such computation shall be made for all milk received from each such producer during the period beginning with his first regular delivery of milk and continuing until the end of two full calendar months following the date of such first delivery of milk;

(ii) If the hundredweight of milk computed pursuant to subparagraph (5) of paragraph (a) of this section is less than the hundredweight of milk received from producers, add an amount computed by multiplying such difference by an amount equal to 3.8 multiplied by the butterfat differential set forth in Sec. 920.8 (c);

(iii) If the hundredweight of milk computed pursuant to subparagraph (5) of paragraph (a) of this section is greater than the hundredweight of milk received from producers, subtract an amount computed by multiplying such difference by an amount equal to 3.8 multiplied by the butterfat differential set forth in Sec. 920.8 (c);

(iv) If the Class I milk of such handler is greater than the base milk received by him from producers, subtract a sum equal to the base milk times the Class I price;

(v) If the Class I milk of such handler is less than the base milk received by him from producers, subtract a sum equal to the excess milk times the Class IV price;

(vi) Divide the remaining sum of money by the excess milk if subdivision (iv) of this subparagraph be true, or by the base milk if subdivision (v) of this subparagraph be true, to secure the blended price for excess milk or for base milk, as the case may be.

(2) The market administrator shall compute for each handler the uniform price per hundredweight of milk received by such handler during each June, July, August, and September delivery period as follows:

(i) Subtract from the total value of milk computed for such handler pursuant to paragraph (a) of this section, for all milk received from a producer who did not regularly sell or distribute milk during a period of 30 days next preceding November 13, 1937, an amount computed by multiplying by the Class IV price the hundredweight of milk received from such producer. Such computation shall be made for all milk received from each such producer during the period beginning with his first regular delivery of milk and continuing until the end of two full calendar months following the date of such first delivery of milk;

(ii) If the hundredweight of milk computed pursuant to subparagraph (5) of paragraph (a) of this section is less than the hundredweight of milk received from producers, add an amount computed by multiplying such difference by an amount equal to 3.8 multiplied by the butterfat differential set forth in Sec. 920.8 (e);

(iii) If the hundredweight of milk computed pursuant to subparagraph (5) of paragraph (a) of this section is greater than the hundredweight of milk received from producers, subtract an amount computed by multiplying such difference by an

amount equal to 3.8 multiplied by the butterfat differential set forth in Sec. 920.8(c);

(iv) Divide by the total quantity of milk received from producers by such handler other than the milk represented by the amount subtracted pursuant to subdivision (i) of this subparagraph.

(3) On or before the 10th day after the end of each delivery period the market administrator shall notify each handler and make public announcement of the uniform prices computed for such handler pursuant to this section, and of the Class IV price.

(c) *Base rating.* During each delivery period, except the delivery periods of June, July, August, and September, the base of each producer shall be a quantity of milk to be calculated by the market administrator in the following manner: Multiply the rating, if any, effective pursuant to paragraph (d) of this section, by the number of days on which milk was received from such producer during such delivery period. Milk received from a producer not in excess of his base shall be designated as "base milk" and that received in excess of his base shall be designated as "excess milk."

(d) *Determination for base rating.* For the purpose of calculating, pursuant to paragraph (c) of this section, the bases of producers, the market administrator shall determine a rating, with respect to milk received in bulk from each producer by handlers, as follows:

(1) Effective for the remainder of the calendar year 1937 the rating of each producer shall be the daily base, if any, of each such producer which is on file July 15, 1937, with the administrator of the order for the marketing area, issued by the Milk Control Board of the State of Indiana;

(2) Effective for each of the first three delivery periods following November 13, 1937, during which milk is received from any producer for whom the reports of handlers do not supply information necessary for a determination of a rating pursuant to subparagraphs (1), (3), and (4) of this paragraph, the rating of each such producer shall be that proportion of milk received from him which is the proportion of the aggregate daily base milk to the aggregate daily delivery of milk of all other producers; effective for the remainder of the then current calendar year the rating of each such producer shall be the average of his ratings for each of such first three delivery periods: *Provided*, That ratings under this subparagraph shall not be effective for any producer during the period when handlers are required to make payment to any such producer pursuant to Sec. 920.8 (a) (1) (i);

(3) Effective for each year subsequent to October 1, 1938, divide the total receipts in bulk by handlers during the four months of the preceding year when receipts were lowest, by the number of days on which milk was received and take such a percentage of the result as

will make the total of all figures so determined approximately equal to 115 percent of the average Class I milk, Class II milk, and Class III milk per day disposed of during October, November, December, January, February, March, April, and May of the preceding year by all handlers by whom such milk was received; and

(4) Effective for the remainder of the then current calendar year, in the case of any producer whose delivery of milk in bulk to handlers during any two consecutive delivery periods is less than 85 percent of his base, that figure which is equal to the average delivery per day of such producer during such two consecutive delivery periods.

§ 920.8 *Payments for milk—(a) Time and method of payment.* (1) On or before the 15th day after the end of each delivery period, other than the delivery periods of June, July, August, and September, each handler shall, with respect to milk received from outside the State of Indiana or received at the handler's plant outside the State of Indiana during such delivery period, make payment, subject to the butterfat differential set forth in paragraph (c) of this section, to producers from whom such milk was received, as follows:

(i) To any such producer who did not regularly sell milk during a period of 30 days next preceding November 13, 1937, to a handler, to persons within the marketing area, or distribute milk in the marketing area, at the Class IV price for all the milk received from such producer during the period beginning with the first regular delivery of milk of such producer and continuing until the end of 2 full calendar months following the date of such first delivery of milk; and

(ii) To all other such producers, at the uniform prices per hundredweight for base milk and for excess milk computed for such handler pursuant to Sec. 920.7 (b) (1).

(2) On or before the 15th day after the end of each June, July, August, and September delivery period, each handler shall, with respect to milk received from outside the State of Indiana or received at the handler's plant outside the State of Indiana during such delivery period, make payment, subject to the butterfat differential set forth in paragraph (c) of this section, to producers from whom such milk was received, as follows:

(i) To any such producer who did not regularly sell milk during a period of 30 days next preceding November 13, 1937, to a handler, to persons within the marketing area, or distribute milk in the marketing area, at the Class IV price for all the milk received from such producer during the period beginning with the first regular delivery of milk of such producer and continuing until the end of 2 full calendar months following the date of such first delivery of milk; and

(ii) To all other such producers, at the uniform price per hundredweight computed for such handler pursuant to Sec. 920.7 (b) (2).

(b) *Errors in payments.* Errors made, from whatever cause, in the payments prescribed in this section shall be corrected not later than the date for making payments next following the determination of such errors.

(c) *Butterfat differential.* If any handler has received from any producer, during the delivery period, milk having an average butterfat content other than 3.8 percent, such handler in making payments pursuant to paragraphs (a) and (b) of this section, shall add to the prices per hundredweight for such producer for each one-tenth of 1 percent of average butterfat content in milk above 3.8 percent not less than, or shall deduct from such prices for such producer for each one-tenth of 1 percent of average butterfat content in milk below 3.8 percent, not more than an amount as follows:

If the average butter price used in Sec. 920.4 (a) is 29 cents or less—3 cents.

If the average butter price used in Sec. 920.4 (a) is 29.1 cents to 34 cents—3.5 cents.

If the average butter price used in Sec. 920.4 (a) is 34.1 cents to 39 cents—4 cents.

If the average butter price used in Sec. 920.4 (a) is over 39 cents—4.5 cents.

§ 920.9 *Marketing services—(a) Deductions for marketing services.* Except as set forth in paragraph (b) of this section, each handler shall deduct an amount not exceeding 3 cents per hundredweight (the exact amount to be determined by the market administrator, subject to review by the Secretary) from the payments made to each producer pursuant to subparagraphs (1) and (2) of Sec. 920.8 (a) with respect to all milk received by such handler during each delivery period from such producer, and shall pay such deductions to the market administrator on or before the 15th day after the end of such delivery period. Such moneys shall be expended by the market administrator for market information to and for verification of weights, sampling, and testing of milk received from the said producers.

(b) *Producers' cooperative associations.* In the case of producers for whom a cooperative association, which the Secretary determines to be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the Capper-Volstead Act, is actually performing, as determined by the Secretary, the services set forth in paragraph (a) of this section, each handler shall make the deductions from the payments to be made pursuant to subparagraphs (1) and (2) of Sec. 920.8 (a) which are authorized by such producers and, on or before the 15th day after the end of each delivery period,

pay over such deductions to the association of which such producers are members.

§ 920.10 *Effective time, suspension, or termination of order, as amended*—(a) *Effective time.* The provisions hereof, or any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to paragraph (b) of this section.

(b) *Suspension or termination of order, as amended.* The Secretary may suspend or terminate this order, as amended, or any provision hereof, whenever he finds that this order, as amended, or any provision hereof, obstructs, or does not tend to effectuate the declared policy of the act. This order, as amended, shall terminate, in any event, whenever the provisions of the act authorizing it cease to be in effect.

(c) *Continuing power and duty of the market administrator.* If, upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: *Provided,* That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(1) The market administrator, or such other person as the Secretary may designate, shall (a) continue in such capacity until removed by the Secretary, (b) from time to time account for all receipts and disbursements and, when so directed by the Secretary, deliver all funds or property on hand together with the books and records of the market administrator, or such person, to such person as the Secretary may direct, and (c) if so directed by the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.

(d) *Liquidation after suspension or termination.* Upon the suspension or termination of any or all provisions hereof, the market administrator, or such person as the Secretary may designate, shall liquidate, if so directed by the Secretary, the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected

pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

§ 920.11 *Liability*—(a) *Liability of handlers.* The liability of the handlers hereunder is several and not joint and no handler shall be liable for the default of any other handler.

Now, therefore, Harry L. Brown, Acting Secretary of Agriculture, acting under the provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, for the purposes and within the limitations therein contained and not otherwise, hereby executes and issues in duplicate this order, as amended, under his hand and the official seal of the Department of Agriculture, in the city of Washington, District of Columbia, on this 29th day of July 1939, and declares this order, as amended, to be effective on and after the 3d day of August 1939.

[SEAL] HARRY L. BROWN,
Acting Secretary of Agriculture.

[F. R. Doc. 39-2814; Filed, July 31, 1939;
11:40 a. m.]

TITLE 14—CIVIL AVIATION

CIVIL AERONAUTICS AUTHORITY

[Amendment 21, Civil Air Regulations]

AIRWAY TRAFFIC CONTROL AREA DESIGNATIONS, NEW; GREEN CIVIL AIRWAY No. 5, REVISED; GREEN CIVIL AIRWAY No. 1; AMBER CIVIL AIRWAY NOS. 6 & 7; RED CIVIL AIRWAY NOS. 10 & 23; BLUE CIVIL AIRWAY No. 3.

At a session of the Civil Aeronautics Authority held at its office in Washington, D. C., on the 28th day of July 1939.

Acting pursuant to the Authority vested in it by the Civil Aeronautics Act of 1938, particularly sections 205 (a) and 601 (a) of said Act, and finding that its action is desirable in the public interest and is necessary to carry out the provisions of and to exercise and perform its powers and duties under said Act, the Civil Aeronautics Authority hereby amends the Civil Air Regulations as follows:

Section 60.24 of the Civil Air Regulations is amended as follows:

1. By the addition of a new section, section 60.2404, reading as follows:

"60.2404 *Green civil airway No. 5.* From a point 25 miles northeast of the Mobile, Ala., radio range station to a point 25 miles east of the Richmond, Va., radio range station."

2. By amending section 60.2400 so as to read as follows:

"60.2400 *Green civil airway No. 1.* From a point 25 miles southeast of the La Crosse, Wis., radio range station to the Lone Rock, Wis., radio range station; from a point 25 miles west of the Grand Rapids, Mich., radio range station to the intersection of the center line of the on course signal of the east leg of the Detroit, Mich., (Wayne County Airport) radio range and the United States-Canadian Border; from the intersection of the center line of the on course signal of the west leg of the Buffalo, N. Y., radio range and the United States-Canadian Border to a point 25 miles east of the Syracuse, N. Y., radio range station."

3. By amending section 60.2413 so as to read as follows:

"60.2413 *Amber civil airway No. 6.* From a point 25 miles northwest of the Alma, Ga., radio range station to a point 25 miles southeast of the Nashville, Tenn., radio range station; from a point 25 miles north of the Columbus, Ohio, radio range station to the Buffalo, N. Y., radio range station."

4. By amending section 60.2414 so as to read as follows:

"60.2414 *Amber civil airway No. 7.* From a point 25 miles north of the Raleigh, N. C., radio range station to a point 25 miles southwest of the Putnam, Conn., radio marker station."

5. By amending section 60.24213 so as to read as follows:

"60.24213 *Red civil airway No. 10.* From the Fort Worth, Tex., radio range station to a point 25 miles west of the Shreveport, La., radio range station; from a point 25 miles east of the Jackson, Miss., radio range station to a point 25 miles northwest of the Charleston, S. C., radio range station."

6. By amending section 60.24209, as amended, so as to read as follows:

"60.24209 *Red civil airway No. 23.* From the Buffalo, N. Y., radio range station to the Newark, N. J., radio range station."

7. By amending section 60.2430 so as to read as follows:

"60.2430 *Blue civil airway No. 3.* From the Baltimore, Md., Logan Field to the Elmira, N. Y., radio range station."

This amendment shall become effective on and after 12:01 A. M., E. S. T., August 15, 1939.

By the Authority.

[SEAL] PAUL J. FRIZZELL,
Secretary.

[F. R. Doc. 39-2818; Filed, July 31, 1939;
11:45 a. m.]

TITLE 16—COMMERCIAL PRACTICES

FEDERAL TRADE COMMISSION

[Docket No. 3201]

IN THE MATTER OF CHENILLE CORPORATION
OF AMERICA

§ 3.6 (m 10) *Advertising falsely or misleadingly—Manufacture:* § 3.69 (b) (7a) *Misrepresenting oneself and goods—Goods—Manufacture.* Using, in connection with offer, etc., in commerce, of rugs, terms "hand-made" or "hand-hooked" or any other terms of similar import or meaning, to designate, describe or refer to rugs which have not been made entirely by hand labor and hand craft, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Chenille Corporation of America, Docket 3201, July 21, 1939]

*United States of America—Before
Federal Trade Commission*

At a regular session of the Federal Trade Commission held at its office in the City of Washington, D. C., on the 21st day of July, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, testimony and other evidence taken before A. F. Thomas and Miles J. Furnas, examiners of the Commission, theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, brief filed by counsel for the Commission (respondent not having filed brief and oral argument not having been requested); and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Chenille Corporation of America, a corporation, its officers, representatives, agents and employees directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of rugs in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Using the terms "hand-made" or "hand-hooked" or any other terms of similar import or meaning to designate, describe or refer to rugs which have not been made entirely by hand labor and hand craft.

It is further ordered, That the respondent shall, within sixty (60) days

after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with this order.

By the Commission.

[SEAL]

OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-2807; Filed, July 31, 1939;
9:26 a. m.]

[Docket No. 3380]

IN THE MATTER OF GOLD MEDAL FARMS,
INC., ET AL.

§ 3.24 (d 10) *Coercing and intimidating—Suppliers and sellers:* § 3.33 (e) *Cutting off Competitors' supplies—Threatening withdrawal of patronage:*

§ 3.76 *Opposing, unfairly or deceptively, government fostered distributive mechanisms and programs.* Deceiving, coercing or intimidating, in any manner or by any means or method, in connection with purchase, receipt, sale or distribution of milk in any form in interstate commerce or in District of Columbia, and on the part of respondent corporation, its successors, etc., and respondent individuals, officers thereof, acting individually, or through or by means of said corporations, or any other dealer or distributor of milk or milk products, or any group, association or combination of dealers or distributors, or any other agency, any milk producer or producers from whom any of the respondents purchase or receive, or may hereafter purchase or receive, milk in any form whatsoever, with intent or result (a) of preventing said producer or producers from assisting in organizing, or from forming, joining, or becoming a member of, or affiliated with, any milk producers' cooperative association, or (b) of causing said producer or producers to assist in organizing, or in forming, joining, or becoming a member of or affiliated with, any milk producers' cooperative association, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Gold Medal Farms, Inc., et al., Docket 3380, July 21, 1939; Commissioner Davis dissenting]

§ 3.24 (d 10) *Coercing and intimidating—Suppliers and sellers:* § 3.33 (e) *Cutting off competitors' supplies—Threatening withdrawal of patronage:*

§ 3.76 *Opposing, unfairly or deceptively, government fostered distributive mechanisms and programs.* Threatening, in connection with purchase, receipt, sale or distribution of milk in any form in interstate commerce or in District of Columbia, and on the part of respondent corporation, its successors, etc., and respondent individuals, officers thereof, acting individually, or through or by means of said corporation, or any other

dealer or distributor of milk or milk products, or any group, association or combination of dealers or distributors, or any other agency, reprisals in any manner or form, against any milk producer or producers from whom any of the respondents purchase or receive, or may hereafter purchase or receive, milk in any form whatsoever, as a penalty for, or as a result of, (a) any attempt by said producer or producers to assist in organizing or forming any milk producers' cooperative association, or (b) any such producer or producers joining or becoming a member of, or affiliated with, any such association, or (c) the failure of any such producer or producers to assist in organizing, or forming any such association, or (f) his or their failing to join or failing to become a member of, or failing to become affiliated with, any such association, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Gold Medal Farms, Inc., et al., Docket 3380, July 21, 1939; Commissioner Davis dissenting]

§ 3.24 (d 10) *Coercing and intimidating—Suppliers and sellers:* § 3.33 (e) *Cutting off competitors' supplies—Threatening withdrawal of patronage:* § 3.76 *Opposing, unfairly or deceptively, government fostered distributive mechanisms and programs.* Interfering, in connection with purchase, receipt, sale or distribution of milk in any form in interstate commerce or in District of Columbia, and on the part of respondent corporation, its successors, etc., and respondent individuals, officers thereof, acting individually, or through or by means of said corporation, or any other dealer or distributor of milk or milk products, or any group, association or combination of dealers or distributors, or any other agency, by means of deception, coercion or intimidation in any manner or form, with the free and unimpeded exercise of choice (a) by any milk producer or producers from whom any of the respondents purchase or receive, or may hereafter purchase or receive, milk in any form whatsoever, in the determination by said producer or producers as to whether said producer or producers shall or should form, organize, join or become affiliated with any producers' cooperative association, or (b) by any milk producers' cooperative association in its determination of whether or not such milk producers' cooperative association shall or should join or become affiliated, in any manner or form, with the Metropolitan Cooperative Producers' Bargaining Agency, Inc., or any milk producers' cooperative bargaining organization or agency, authorized by law, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Gold Medal Farms, Inc., et al., Docket 3380, July 21, 1939; Commissioner Davis dissenting]

¹ 3 F.R. 545 DI.

§ 3.33 (a 10) *Cutting off competitors' supplies—Misrepresenting competitive supply sources:* § 3.76 *Opposing, unfairly or deceptively, government fostered distributive mechanisms and programs.* Making or causing to be made, in any form or manner, in connection with purchase, receipt, sale or distribution of milk in any form in interstate commerce or in District of Columbia, and on the part of respondent corporation, its successors, etc., and respondent individuals, officers thereof, acting individually, or through or by means of said corporation, or any other dealer or distributor of milk or milk products, or any group, association or combination of dealers or distributors, or any other agency, any falsely disparaging words or statements concerning or referring to the Metropolitan Cooperative Milk Producers' Bargaining Agency, Inc., or any milk producers' cooperative bargaining organization or agency, authorized by law, its purposes, objectives, its members, or the character of its representatives or membership, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Gold Medal Farms, Inc., et al., Docket 3380, July 21, 1939; Commissioner Davis dissenting]

§ 3.24 (d 10) *Coercing and intimidating—Suppliers and sellers:* § 3.33 (e) *Cutting off competitors' supplies—Threatening withdrawal of patronage:* § 3.76 *Opposing, unfairly or deceptively, government fostered distributive mechanisms and programs.* Controlling, dominating or interfering, in connection with purchase, receipt, sale or distribution of milk in any form in interstate commerce or in District of Columbia, and on the part of respondent corporation, its successors, etc., and respondent individuals, officers thereof, acting individually, or through or by means of said corporation, or any other dealer or distributor of milk or milk products, or any group, association or combination of dealers or distributors, or any other agency, or attempting to control, dominate or interfere with, in any form, manner or method whatsoever, the organization, management, control or operation of the Washington and Rensselaer Counties Producers' Cooperative Association, Inc., or any other milk producers' cooperative association or agency, authorized by law, with the purpose, intent or result of preventing the producer members, officers, or directors of such a cooperative from exercising their free and unimpeded judgment as to its organization, management, control or operation, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Gold Medal Farms, Inc., et al., Docket 3380, July 21, 1939; Commissioner Davis dissenting]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 21st day of July, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF GOLD MEDAL FARMS, INC., A CORPORATION, JOSEPH FROMM, PAUL STEFFIN, INDIVIDUALS

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission, the answers of respondents, testimony and other evidence taken before John W. Addison, an examiner of the Commission, theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, briefs filed herein, and oral arguments by Fletcher G. Cohn, counsel for the Commission, and by Harold S. Fleischer, counsel for the respondents, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That respondent Gold Medal Farms, Inc., its successors or assigns, officers, representatives, agents and employees, and respondents Joseph Fromm and Paul Steffin, acting individually or through or by means of respondent Gold Medal Farms, Inc., or through or by means of any other dealer or distributor of milk or milk products, or through or by means of any group, association or combination of dealers or distributors, or any other agency, in connection with the purchase, receipt, sale or distribution of milk in any form in interstate commerce or in the District of Columbia, do forthwith cease and desist from doing directly or indirectly the following acts and things:

(1) Deceiving, coercing or intimidating in any manner or by any means or methods, any milk producer or producers from whom any of the respondents purchase or receive, or may hereafter purchase or receive, milk in any form whatsoever, for the purpose, or with the intent, or with the result, of preventing said producer or producers from assisting in organizing, or from forming, joining, or becoming a member of, or affiliated with, any milk producers' cooperative association;

(2) Deceiving, coercing, or intimidating, in any manner or by any means or method, any milk producer or producers from whom any of the respondents purchase or receive, or may hereafter purchase or receive, milk in any form what-

soever for the purpose, or with the intent, or with the result, of causing said producer or producers to assist in organizing, or in forming, joining, or becoming a member of or affiliated with, any milk producers' cooperative association;

(3) Threatening reprisals in any manner or form against any milk producer or producers from whom any of the respondents purchase or receive, or may hereafter purchase or receive, milk in any form whatsoever, as a penalty for, or as a result of, any attempt by said producer or producers to assist in organizing or forming any milk producers' cooperative association, or, as a penalty for, or as a result of any such producer or producers joining or becoming a member of, or affiliated with, any such association, or as a penalty for, or as a result of, the failure of any such producer or producers to assist in organizing, or forming any such association, or as a penalty for, or as a result of, his or their failing to join or failing to become a member of, or failing to become affiliated with, any such association;

(4) Interfering by means of deception, coercion, or intimidation, in any manner or form, with the free and unimpeded exercise of choice by any milk producer or producers from whom any of the respondents purchase or receive, or may hereafter purchase or receive, milk in any form whatsoever, in the determination by said producer or producers as to whether said producer or producers shall or should form, organize, join or become affiliated with any producers' cooperative association;

(5) Interfering by means of deception, coercion, or intimidation, in any form or manner, with the free and unimpeded exercise of choice by any milk producers' cooperative association in its determination of whether or not such milk producers' cooperative association shall or should join or become affiliated, in any manner or form, with the Metropolitan Cooperative Producers' Bargaining Agency, Inc., or any milk producers' cooperative bargaining organization or agency, authorized by law;

(6) Making, or causing to be made, in any form or manner, any falsely disparaging words or statements concerning or referring to the Metropolitan Cooperative Milk Producers' Bargaining Agency, Inc., or any milk producers' cooperative bargaining organization or agency, authorized by law, its purposes, objectives, its members, or the character of its representatives or membership;

(7) Controlling, dominating, interfering, or attempting to control, dominate, or interfere with, in any form, manner or method whatsoever, the organization, management, control, or operation of the Washington and Rensselaer Counties Producers' Cooperative Association, Inc., or any other milk producers' cooperative association or agency, authorized by law,

¹ 3 F.R. 1421 DL.

with the purpose, intent, or result of preventing the producer members, officers, or directors of such a cooperative, from exercising their free and unimpeded judgment as to its organization, management, control, or operation.

It is further ordered, That the respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the form and manner in which they have complied with this order.

By the Commission, Commissioner Davis dissenting.

[SEAL]

OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-2808; Filed, July 31, 1939;
9:26 a. m.]

TITLE 24—HOUSING CREDIT

FEDERAL HOUSING ADMINISTRATION

MULTIFAMILY AND GROUP HOUSING INSURANCE

PART 532—ADMINISTRATIVE RULES UNDER SECTION 207, NATIONAL HOUSING ACT*†

APPLICATION AND COMMITMENT

- Sec.
532.1 Information for preliminary examination.
532.2 Evidence of acceptance of mortgage.

ELIGIBLE MORTGAGES

- 532.3 Mortgage forms.
532.4 Eligibility for insurance.
532.5 Maturity.
532.6 Payment requirements.
532.7 Interest rate.
532.8 Release provisions.
532.9 Covenant against liens.
532.10 Covenants for fire insurance.
532.11 Soundness of property.
532.12 Provisions for accumulation of next premium.
532.13 Application of payments.

ELIGIBLE MORTGAGORS

- 532.14 Prevailing wage requirements.
532.15 Classification of mortgagors.
(a) Private mortgagors.
(b) Public mortgagors.
532.16 Definition of term "slum or blighted area."

SUPERVISION OF MORTGAGORS

- 532.17 In general.
532.18 Required supervision of private mortgagors.

ELIGIBLE MORTGAGEES

- 532.19 Classifications.
532.20 Special provisions for approval.

ELIGIBLE PROPERTIES

- 532.21 Eligibility of property.
532.22 Development of property.

TITLE

- 532.23 Eligibility of title.
532.24 Title evidence.
532.25 Effective date.

*Sections 532.1 to 532.25, inclusive, issued under authority contained in Sec. 211 of the National Housing Act, as amended.

†The source of Sections 532.1 to 532.25, inclusive, is Multifamily and Group Housing Insurance, Administrative Rules and Regulations under Section 207 of Title II of the National Housing Act, Revised June 30, 1939.

Application and Commitment

§ 532.1 Information for preliminary examination. Information required for preliminary examination of a Rental Housing project under Section 207 shall be executed by an approved mortgagee or by an authorized representative of said mortgagee and by the sponsors of such project, and shall be submitted through the local Federal Housing Administration office on FHA Form 2013, executed in triplicate. No application will be considered unless the exhibits called for by that form are furnished. The submission of Form 2013 will be deemed to be the sponsor's agreement to pay in accordance with the provisions of this section and on account of the costs of appraisal and inspection by the Administrator, the following sums:

(a) One dollar and fifty cents per thousand of the face amount of the mortgage loan applied for (referred to as "Application Fee") upon submission of application, and

(b) A sum (referred to as "Commitment Fee") which when added to the Application Fee will aggregate \$3.00 per thousand of the face amount of the mortgage loan approved for insurance by the Administrator, and which shall be paid at the time of delivery of the commitment letter.

However, in the case of a Public Housing project, the fee to be paid under this section shall be fixed by the Administrator, but shall not exceed \$3.00 per thousand of the original face amount of the mortgage.

If the Administrator shall issue a commitment as herein provided and the commitment fee shall not be paid and delivery accepted by the applicant within the period of time specified in the commitment letter, such commitment shall, unless the period for such payment be specifically extended, be considered void and of no effect. If an application to increase the amount of the insured mortgage is presented after commitment, a new application fee based upon the amount of such increase must be paid at the time the application for such increase is filed which payment will be subject to adjustment as above provided in accordance with the amount of the increase approved by the Administrator. If the amount of the insured mortgage is increased after insurance either by the amendment or by the substitution of a new insured mortgage, the fees herein provided for shall be based upon the amount of such increase.

If an application is rejected upon preliminary examination as determined by the Administrator, the application fee will be returned to the applicant. Otherwise fees paid as above provided shall not be returned. In special cases the Administrator may charge prior to closing an additional fee not exceeding \$2.00 per thousand of the face amount

of the loan approved for insurance.*† [Sec. I, par. 1]

§ 532.2 Evidence of acceptance of mortgage. Upon approval of an application and payment of the commitment fee, acceptance of the mortgage for insurance will be evidenced by the issuance of a commitment setting forth the terms and conditions upon which the mortgage will be insured, including special requirements applicable to the project and requiring the submission in final form within a time specified of all appropriate documents, drawings, plans, specifications, estimates, and other instruments evidencing full compliance satisfactory to the Administrator with these Rules and with such terms and conditions. No commitment shall be valid unless signed by the Administrator or his duly authorized agent, and shall be effective for a stated period, not in excess of 120 days, and may be renewed in such manner as the Administrator may from time to time specify.*† [Sec. I, par. 2]

Eligible Mortgages

§ 532.3 Mortgage forms. The Administrator does not furnish mortgage forms for each project or for each jurisdiction. The forms customarily used in any particular jurisdiction if so modified and amplified as to include the matters herein set forth, and if otherwise satisfactory to the Administrator, will be approved.*† [Sec. II, par. 1]

§ 532.4 Eligibility for insurance. In order to be eligible for insurance under these Rules a mortgage shall create a first lien securing a principal obligation not in excess of \$5,000,000, and such part thereof as may be attributable to dwelling use shall not exceed \$1,350 per room, depending upon the location of the project and local building costs and rental conditions. The principal obligation of such mortgage shall not exceed eighty per centum (80%) of the amount which the Administrator estimates will be the value of the property or project when the proposed improvements are completed: *Provided*, That such mortgage shall not in any event exceed the amount which the Administrator estimates will be the cost of the completed physical improvements on the property or project, exclusive of the following: Public utilities except lead ins from abutting streets to the project; public streets except approaches from abutting streets to private streets in the project; abutting sidewalks and curbing outside the project site; real estate taxes, interest on the mortgage, hazard insurance, owner's liability insurance and other insurance customarily payable by the mortgagor; organization and legal expenses; financing charges; and miscellaneous charges during or incidental to construction and customarily payable by the mortgagor, including but not limited to Federal Housing Administration appraisal and inspection fees and mortgage insurance premium, title and

recording expenses, and cost of surveys and contour maps.*† [Sec. II, par. 2]

§ 532.5 *Maturity.* The mortgage shall have a maturity satisfactory to the Administrator, depending upon the risk involved and the general character of the project, and shall contain complete amortization or sinking-fund provisions satisfactory to the Administrator.*† [Sec. II, par. 2]

§ 532.6 *Payment requirements.* The mortgage shall provide for periodic payments by the mortgagor to the mortgagee on account of interest, principal, and mortgage insurance, not less frequently than every three (3) months.*† [Sec. II, par. 4]

§ 532.7 *Interest rate.* The mortgage shall bear interest at such rate, not exceeding four and one-half per centum ($4\frac{1}{2}\%$) per annum, as may be agreed upon between the mortgagor and the mortgagee. All charges made in connection with the mortgage transaction shall be subject to the approval of the Administrator.*† [Sec. II, par. 5]

§ 532.8 *Release provisions.* The mortgage shall cover the entire property included in the housing project. Where the project consists principally of single-family houses the mortgage may include appropriate provisions for the release from the lien thereof of any such house and the land upon which it is located in consideration of the payment to the mortgagee, in reduction of the principal of the mortgage, of an amount set forth in a schedule attached to and forming part of said mortgage. Such mortgages shall provide that the released property be subject to deed restrictions, approved by the Administrator at the time of the insurance of the mortgage and providing to the properties remaining under the mortgage adequate protection against adverse influences. Where the mortgage does not contain such release provisions no property shall, except with the consent of the mortgagee and the Administrator, be released from the lien thereof so long as the mortgage insurance is in force.*† [Sec. II, par. 6]

§ 532.9 *Covenant against liens.* The mortgage, except in the case of Public Housing projects, shall contain a covenant against the creation by the mortgagor of liens against the property inferior to the lien of the mortgage.*† [Sec. II, par. 7]

§ 532.10 *Covenants for fire insurance.* The mortgage shall contain a covenant binding the mortgagor to keep the premises insured against fire and such other hazards as the Administrator may stipulate, in companies and in amounts satisfactory to the Administrator. The policies evidencing such insurance shall have attached standard form mortgagee clause making loss, if any, payable to the mortgagee, and the Administrator, as interest may appear.*† [Sec. II, par. 8]

§ 532.11 *Soundness of property.* No mortgage shall be accepted for insurance unless the Administrator finds that the

property or project with respect to which the mortgage is executed is economically sound.*† [Sec. II, par. 9]

§ 532.12 *Provisions for accumulation of next premium.* The mortgage shall provide for payments by the mortgagor to the mortgagee on each interest payment date of an amount sufficient to accumulate in the hands of the mortgagee one payment period prior to its due date, the next annual mortgage insurance premium payable by the mortgagee to the Administrator. Such payments shall continue only so long as the contract of mortgage insurance shall remain in effect. The mortgage shall provide that upon the payment of the mortgage before maturity, the mortgagor shall pay the adjusted premium charge referred to in Section 533.3.*† [Sec. II, par. 10]

§ 532.13 *Application of payments.* All periodic payments to be made by the mortgagor to the mortgagee shall be added together and the aggregate amount thereof shall be paid by the mortgagor upon each periodic payment date in a single payment. The mortgagee shall apply the same to the following items in the order set forth:

(a) Premium charges under the contract of insurance;

(b) At its discretion, to any sums due under the terms of the mortgage or the credit instrument which it secures.

Any deficiency in the amount of any such aggregate periodic payment shall constitute an event of default under the mortgage.*† [Sec. II, par. 11]

§ 532.14 *Prevailing wage requirements.* No advance under any mortgage insured pursuant to the provisions of Section 207 of the National Housing Act, as amended, shall be eligible for insurance unless there is filed with the application for such advance a certificate or certificates in the form required by the Administrator certifying that the laborers and mechanics employed in the construction of the dwelling or dwellings or the housing project involved have been paid not less than the wages prevailing in the locality in which the work was performed for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor prior to the beginning of construction and after the date of the filing of application for insurance. This section shall be effective only as to mortgages upon which an application for mortgage insurance is filed after June 3, 1939.*† [Sec. II, par. 12]

Eligible Mortgages

§ 532.15 *Classification of mortgages—*

(a) *Private mortgages.* A private corporation, association, cooperative society which is a legal agent of the owner-occupants, or trust (sometimes referred to in these Rules and Regulations as "mortgagor", "corporation", or "mortgagor corporation"), formed or created with the approval of the Administrator, for the purpose of (1) rehabilitating slum or

blighted areas, or (2) providing housing for rent or sale, and possessing powers necessary therefor and incidental thereto, which corporation, association, cooperative society, or trust, until the termination of all obligations of the Administrator under such insurance, is regulated or restricted by the Administrator as to rents or sales, charges, capital structure, rate of return, and methods of operation. Such regulation or restriction shall remain in effect until such time as the mortgage insurance contract terminates without obligation upon the Administrator to issue debentures as a result of such termination. So long as such contract of insurance is in effect, the corporation, association, cooperative society, or trust shall engage in no business other than the construction and operation of a Rental Housing project or projects; or

(b) *Public mortgages.* A Federal or State instrumentality, a municipal corporate instrumentality of one or more States, or a limited dividend corporation formed under and restricted by Federal or State housing laws as to rents, charges, capital structure, rate of return, or methods of operation (projects of such mortgages are herein sometimes referred to as "Public Housing projects").*† [Sec. III, par. 1]

§ 532.16 *Definition of term "slum or blighted area".* The term "slum or blighted area" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health or morals.*† [Sec. III, par. 2]

Supervision of Mortgages

§ 532.17 *In general.* In the case of an eligible mortgagor described in Section 532.15 (b), the Administrator is not required under the Act to regulate or restrict the mortgagor. Such mortgagor, however, must have initial funds which may be considered in lieu of the equity required of other mortgages. Such funds (which may be in the form of government loans, grants or subsidies, or in other form) if sufficient in amount will be considered satisfactory provided they do not create a lien against the property prior to that of the insured mortgage. Liens inferior to the lien of the insured mortgage may be allowed against properties of such mortgages.

Supervision of other mortgages is required by the provision of Section 207 of the Act that such mortgages shall be regulated or restricted by the Administrator. In the case of a project involving a mortgage in excess of \$200,000 such regulation or restriction will be set forth in the certificate of incorporation or other instrument under which the mortgagor is created (hereinafter referred to as the "charter") and will be made effective through the issuance of certain shares of special stock (or other evidence of a beneficial interest in the mortgagor) which stock or interest will

acquire majority voting rights in the event of default under the mortgage or violation of a provision of the charter, but only for a period coexistent with the duration of such default or violation. Such special stock or interest shall be held and all voting rights with respect thereto exercised by the Administration, except qualifying shares for the Administrator's representatives. When the right of the Administrator to regulate or restrict the mortgagor shall terminate as above provided, the shares of special stock or other evidence of interest shall be surrendered by the Administrator upon reimbursement for his payments therefor, plus accrued dividends thereon.

In the case of a project involving a mortgage not in excess of \$200,000 only those regulations or restrictions with respect to dividends and provisions for reserves shall be required to be embodied in the charter of such mortgagor, by provisions satisfactory to the Administrator. The other regulations or restrictions outlined below may be embodied in a regulatory contract to be executed by the mortgagor and the Administrator concurrently with the execution of the contract of insurance.*† [Sec. IV]

§ 532.18 *Required supervision of private mortgagors.* The following are the items which will be regulated or restricted to the extent indicated, except in the case of mortgagors of Public Housing projects:

(a) *Rents and charges.* Except as hereinafter provided,

(1) No charge shall be made by the mortgagor corporation for the accommodations offered by the project in excess of a rental schedule to be filed with the Administrator prior to the opening of the project for rental, which schedule shall be based upon a maximum average rental fixed prior to the insurance of the mortgage. Such schedule shall not thereafter be changed except upon application of the mortgagor corporation and the written approval of the Administrator. In establishing such maximum and in passing upon applications for changes, consideration will be given the following and similar factors:

(i) Rental income necessary to maintain the economic soundness of the project.

(ii) Relation of the proposed rentals to those currently being paid in the given community by families for whom this type of housing is intended.

(2) The established maximum rental shall be the maximum authorized charge against any tenant for the accommodations offered exclusive of telephone, gas, electric, and refrigeration facilities. Charges in addition to such maximum rental may be made against a tenant for telephone, gas, electric, refrigeration, and other facilities and privileges furnished by the mortgagor, subject to the approval of the Administrator.

(3) In the case of a project subject to a mortgage containing release clauses, all matters with respect to the release and all agreements between the mortgagor and its vendees with respect to the amount and terms of sale must first be approved by the Administrator.

(b) *Capital structure.*

(1) In appraising a project for commitment the Administrator will value the contribution of the sponsors (which shall be in the form of unencumbered land, and such case and services as the Administrator shall require) at an amount determined by him to represent its value as a component part of the project upon completion, and shall credit sponsors, for appraisal purposes, with the amount of equity so found. The sponsors shall satisfy the Administrator that the cash and services contributed as part of such equity shall, when added to the proceeds of the mortgage, be sufficient to cover all estimated costs of the project and to provide a cash reserve for contingencies, preopening expenses, and other items during the construction period.

(2) Such number of shares of capital stock, either with or without par value, in the case of a corporation, or such appropriate evidences of interest, in the case of an association, a cooperative society, or a trust, may be issued as sponsors may deem appropriate. Such stock or interest, together with paid in surplus, if any, shall represent such equity. Additional stock or evidences of interest may be authorized but the charter shall provide that it shall not be issued except with the approval of the Administrator. No stock or interest shall be redeemed, purchased, or paid off by the mortgagor during the period in which the mortgage insurance is in force, except with the approval of the Administrator.

(3) The shares of stock or interest issued to the Administrator shall be in sufficient amount to constitute, under the laws of the particular State, a valid special class of stock or interest and shall be issued in consideration of the payment by the Administrator of not exceeding \$100.

(c) *Rate of return.* No dividends or distribution of income shall be declared or paid by the corporation in any one fiscal year in excess of an aggregate amount fixed by the Administrator at the time the mortgage is accepted for insurance. Such amount shall not exceed an amount equal to six per centum (6%) per annum of the equity as valued by the Administrator, but the Administrator may permit an additional stated amount, payable out of surplus earnings of the corporation after provision for required reserves not exceeding an aggregate of eight per centum (8%) per annum, provided that no such additional dividends or distribution shall be declared or paid unless the principal of the insured mortgage shall be prepaid in

an amount at least equal to require interest and principal payments for the first amortization year.

(d) *Methods of operation.*

(1) No compensation shall be paid by the corporation except for necessary services and except at such rate as is fair and reasonable in the locality for similar services, nor, except with the prior written approval of the Administrator, shall any compensation be paid by the corporation to any employee in an amount in excess of eighteen hundred dollars (\$1,800) per annum, or to its officers, directors, or stockholders, or to any person or corporation for supervisory or managerial services. No officer, director, stockholder, agent, or employee of the corporation shall in any manner become indebted to the corporation.

(2) The corporation shall maintain its project, the grounds, buildings, and equipment appurtenant thereto, in good repair and in such condition as will preserve the health and safety of its tenants.

(3) Before the payment of any dividend by the corporation reserves shall be accumulated and so replenished from time to time as to remain intact so long as the mortgage insurance is in force. The amount and types of such reserves and the conditions under which they shall be accumulated, replenished, and used, shall be specified in the charter.

(4) The corporation, its property, equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents, and papers shall be subject to inspection and examination by the Administrator or his duly authorized agent at all reasonable times.

(5) The books and accounts of the corporation shall be kept in accordance with the uniform system of accounting prescribed by the Administrator. The corporation shall file with the Administrator the following reports verified by the oath of such officer of the corporation as the Administrator may designate and in such form as prescribed by the Administrator:

(i) Monthly occupancy reports;

(ii) Financial statements to be filed within thirty (30) days after the end of each dividend period established in the charter;

(iii) Annual reports prepared by a certified public accountant, to be filed within sixty (60) days after the end of each fiscal year; and

(iv) Specific answers to questions upon which information is desired from time to time relative to the operation and condition of the property and the status of the insured mortgage.

(e) *Control of funds during construction.* Funds involved in the construction of a project representing security for an insured mortgage loan shall be subject to the following restrictions:

(1) Funds representing the required cash equity shall, as a condition prece-

dent to the insurance of the mortgage, be placed in a special account with a depositary satisfactory to the Administrator and subject to withdrawal only upon written approval of the Administrator. Upon completion of construction to the satisfaction of the Administrator, any balance then remaining in such special account shall be paid over to the general account of the corporation for the purpose of establishing its reserves.

(2) No funds representing the proceeds of an insured mortgage shall be advanced except upon proper requisition approved by the Administrator.

(3) Assurance for the completion of a project (i) may be either the bond of a satisfactory surety company in the standard A. I. A. (or equivalent) form of construction bond in an amount at least equal to ten per centum (10%) of the construction cost, or (ii) may be an escrow deposit in an approved depositary of cash or securities of, or fully guaranteed as to principal and interest by, the United States of America, in an amount at least equal to ten per centum (10%) of the construction cost, conditioned on completion of the project to the satisfaction of the Administrator, or (iii) may be in such other form as may be recommended by the mortgagee and approved in writing by the Administrator.*† [Sec. IV, pars. 1-5]

Eligible Mortgagees

§ 532.19 *Classifications.* The following are eligible for approval as mortgagees:

(a) A chartered institution or other permanent organization having succession.

(b) The Federal or a State Government, or an agency, instrumentality, or subdivision thereof.

(c) The holder or holders of a credit instrument or instruments given in connection with a mortgage, acting by and through a trustee appointed pursuant to the terms of such mortgage.

In order to be eligible the mortgagee must demonstrate to the satisfaction of the Administrator its ability to make the mortgage loan and service the same.*† [Sec. V, par. 1]

§ 532.20 *Special provisions for approval.* An eligible institution, organization, agency, or entity may become the mortgagee under an insured mortgage upon its approval by the Administrator for a particular transaction.

In the event that bonds are to be issued as a part of the insured mortgage transaction, all arrangements with respect to the issuance and sale of such bonds shall be subject to approval by the Administrator.*† [Sec. V, pars. 2-3]

Eligible Properties

§ 532.21 *Eligibility of property.* In order for property to be eligible as the subject of an insured mortgage, such property must be held in fee simple, or consist of the interest of lessor or lessee

under a lease for not less than ninety-nine (99) years which is renewable, or under a lease having not less than fifty (50) years to run from the date the mortgage was executed. Such mortgage may also cover additional property approved by the Administrator.

The property constituting security for the mortgage must be held by an eligible mortgagor as herein defined and must at the time the mortgage is insured be free and clear of all liens other than that of such mortgage.*† [Sec. VI, pars. 1-2]

§ 532.22 *Development of property.* At the time the mortgage is insured:

(a) There shall be located on the mortgaged property a building or buildings designed principally for residential use which shall conform to standards satisfactory to the Administrator and may consist of a group of detached, semidetached, or row houses, or multifamily dwellings; or

(b) The mortgagor shall be obligated to construct and complete such housing accommodations thereon and shall have furnished such assurance of the performance of such obligation as the Administrator may require.*† [Sec. VI, par. 3]

Title

§ 532.23 *Eligibility of title.* In order for the mortgaged property to be eligible for insurance, the Administrator must determine that marketable title thereto is vested in the mortgagor as of the date the mortgage is filed for record. The title will be examined by the Administrator, and if found to be eligible such finding shall be recited in the contract of insurance.*† [Sec. VII, par. 1]

§ 532.24 *Title evidence.* Upon insurance of the mortgage, the mortgagee, without expense to the Administrator, shall furnish to the Administrator, a survey satisfactory to him and a policy of title insurance as provided in paragraph (a) of this section, or, if the mortgagee is unable to furnish such policy for reasons satisfactory to the Administrator, the mortgagee, without expense to the Administrator, shall furnish such evidence of title as provided in paragraphs (b), (c), or (d) of this section, as the Administrator may require.

(a) A policy of title insurance with respect to such mortgage, issued by a company satisfactory to the Administrator. Such policy shall comply with the "L. I. C. Standard Mortgagee Form" or the "A. T. A. Standard Mortgagee Form", or such other form as may be approved by the Administrator; shall be payable to the mortgagee and the Administrator as their respective interests may appear; and shall become an owner's policy, running to the mortgagee as owned upon the acquisition of the property by the mortgagee in extinguishment of the debt through foreclosure or by other means as provided in Section 533.5 (b) (1), and to the Administrator as owner upon the ac-

quisition of the property by him pursuant to the mortgage insurance contract.

(b) An abstract of title satisfactory to the Administrator, prepared by an abstract company or individual engaged in the business of preparing abstracts of title, accompanied by a legal opinion satisfactory to the Administrator, as to the quality of such title, signed by an attorney at law experienced in the examination of titles.

(c) A Torrens or similar title certificate.

(d) Evidence of title conforming to the standards of a supervising branch of the Government of the United States of America, or of any State or Territory thereof.*† [Sec. VII, par. 2]

§ 532.25 *Effective date.* These Administrative Rules shall be effective as to all mortgages with respect to which a commitment to insure shall be issued on or after the date hereof, except that Section 532.14 shall be effective only as to mortgages upon which an application for mortgage insurance is filed after June 3, 1939.*† Issued at Washington, D. C., June 30, 1939.

STEWART McDONALD,
Federal Housing Administrator.

PART 533—REGULATIONS UNDER SECTION 207, NATIONAL HOUSING ACT*†

Sec.	
533.0	Citations.
533.1	Definitions.
	PREMIUMS
533.2	First and second interim premiums.
533.3	Prepayment premium charges.
533.4	Contract of insurance.
	RIGHTS AND DUTIES OF A MORTGAGEE UNDER THE CONTRACT OF INSURANCE
533.5	Benefits of insurance.
(a)	By assignment.
(b)	By conveyance of property.
533.6	Computation of benefits received by assignment.
533.7	Computation of benefits received by conveyance.
533.8	Title in case of assignment.
533.9	Evidence of title.
533.10	Fire and hazard insurance.
533.11	Mortgage default.
533.12	Termination.
	ASSIGNMENTS
533.13	In general.
533.14	Termination of mortgage insurance by assignment.
533.15	No vested right.
533.16	Amendments of regulations.
533.17	Effective date.

§ 533.0 *Citations.* These Regulations may be cited and referred to as "Regulations of the Federal Housing Administrator under Section 207 of the National Housing Act, revised June 30, 1939".*† [Art. I]

§ 533.1 *Definitions.* As used in these Regulations—

*Sections 533.0 to 533.17, inclusive, issued under authority contained in Section 211 of the National Housing Act, as amended.

†The source of Sections 533.0 to 533.17, inclusive, is Multifamily and Group Housing Insurance, Administrative Rules and Regulations under Section 207 of Title II of the National Housing Act, revised June 30, 1939.

(a) The term "Administrator" means the Federal Housing Administrator.

(b) The term "Act" means the National Housing Act, as amended.

(c) The term "mortgage" means such a first lien upon real estate and other property as is commonly given to secure advances (including but not being limited to advances during construction) on, or the unpaid purchase price of, real estate under the laws of the State, district or territory in which the real estate is located, together with the credit instrument or instruments, if any, secured thereby.

(d) The term "insured mortgage" means a mortgage with respect to which the Administrator has issued an executed contract of insurance.

(e) The term "mortgagor" means the original borrower under a mortgage and its successors and such of its assigns as are approved by the Administrator.

(f) The term "mortgagee" means the original lender under a mortgage, and its successors and assigns, and includes the holders of the credit instruments issued under a trust mortgage or deed of trust pursuant to which such holders act by and through a trustee therein named.

(g) The term "contract of insurance" means the written instrument duly executed by the Administrator and the mortgagee, setting forth the terms, conditions, and provisions of insurance, which terms, conditions, and provisions shall be subject to these Regulations.

(h) The term "claim under the contract of insurance" means the assignment, transfer and delivery to the Administrator of the mortgage or the conveyance to him of the property, as provided in Sections 533.5 to 533.12.*† [Art. II]

Premiums

§ 533.2 *First and second interim premiums.* The mortgagee, upon delivery of the contract of insurance, shall pay to the Administrator a mortgage insurance premium equal to one-half of one per centum ($\frac{1}{2}$ of 1%) of the original face amount of the mortgage and, upon the anniversary of such date, shall pay a premium in a like sum. Said two premiums shall be known respectively as the first and second interim premiums. On the date on which the first periodic payment of principal is due the mortgagee shall pay to the Administrator, subject to the adjustment hereinafter provided, and annually thereafter on the anniversary of such date until the mortgage is paid in full or claim under the contract of insurance is made or until the contract of insurance shall terminate, an annual mortgage insurance premium equal to one-half of one per centum ($\frac{1}{2}$ of 1%) of the average outstanding principal obligation of the mortgage for the year following the date on which such premium becomes pay-

able, and calculated in accordance with the amortization provisions without taking into account delinquent payments or prepayments. The premium payable on the date on which the first periodic payment of principal becomes due shall be adjusted so as to accord with such date and so that the aggregate of the premiums paid up to and including the premium paid on such adjusted payment date shall equal the sum of (a) one per centum (1%) of the average outstanding principal obligation of the mortgage for the year following the date on which the first interim premium became payable and (b) one-half of one per centum ($\frac{1}{2}$ of 1%) per annum of the average outstanding principal obligation of the mortgage for the period from the date when the second interim premium became payable down to and including one year following the date on which such first periodic payment of principal becomes due, and calculated in accordance with the amortization provisions, without taking into account delinquent payments or prepayments. The provisions of this section shall also apply to mortgages insured prior to February 3, 1938, but only in respect to premiums payable after such date, and no adjustment shall be made with respect to any premium payable on or before such date. All premiums shall be payable in cash or in debentures issued by the Administrator under Title II of the Act at par plus accrued interest.*† [Art. III, par 1]

§ 533.3 *Prepayment premium charges.* In the event that the principal obligation of any mortgage accepted for insurance is paid in full prior to maturity, the mortgagee shall within thirty (30) days thereafter notify the Administrator of the date of prepayment and shall collect from the mortgagor and pay to the Administrator in the case of a mortgage prepaid within five years from the date thereof, an adjusted premium charge of two per centum (2%) of the original face amount of the prepaid mortgage, and in case the mortgage is prepaid after five years from the date thereof, an adjusted premium charge of one per centum (1%) of the original face amount of the prepaid mortgage, except that if at the time of any such prepayment there is placed on the mortgaged property a new insured mortgage in an amount less than the original face amount of the prepaid mortgage, an adjusted premium shall be paid based upon the difference between such amounts at the rate applicable as above stated, depending upon the date of prepayment.

In no event shall the adjusted premium exceed the aggregate amount of premium charges which would have been payable if the mortgage had continued to be insured until maturity.

No adjusted premium shall be collected by the mortgagee in the following cases:

(a) Where at the time of such prepayment there is placed on the mortgaged

property a new insured mortgage for an amount equal to or greater than the original face amount of the prepaid mortgage; or

(b) Where the final maturity specified in the mortgage is accelerated solely by reason of partial prepayments made by the mortgagor which do not exceed in any one calendar year fifteen per centum (15%) of the original face amount of the mortgage; or

(c) Where the final maturity specified in the mortgage is accelerated solely by reason of payments to principal to compensate for (i) damage to the mortgaged property, or (ii) a release of a part of such property if approved by the Administrator; or

(d) Where payment in full is made of a delinquent mortgage on which foreclosure proceedings have been commenced, or for the purpose of avoiding foreclosure, if the transaction is approved by the Administrator.

Upon such prepayment the contract of insurance shall terminate.

The provisions of this section shall not be construed to prohibit the mortgagee from including in the mortgage and collecting from the mortgagor such charge for prepayment as may be agreed upon between the mortgagee and mortgagor.*† [Art. III, par. 2]

§ 533.4 *Contract of insurance.* Upon compliance satisfactory to the Administrator with the terms of the commitment to insure the Administrator and the mortgagee shall execute the contract of insurance and the mortgage shall be an insured mortgage from the effective date of such contract. The Administrator and the mortgagee shall thereafter be bound by the contract of insurance, subject to the provisions of these Regulations which shall form part of each such contract.*† [Art. IV]

Rights and Duties of a Mortgagee Under the Contract of Insurance

§ 533.5 *Benefits of insurance.* The mortgagee shall be entitled to receive the benefits of the insurance, at its option, either as provided in paragraph (a) or paragraph (b) hereunder.

(a) *By assignment.*—If the mortgagor fails to make any payment due under or provided to be paid by the terms of the mortgage and such failure continues for a period of thirty (30) days, the mortgage shall be considered in default, and the mortgagee shall, within thirty (30) days thereafter, give notice in writing to the Administrator of such default. At any time within thirty (30) days after the date of such notice, the mortgagee shall, in such manner as the Administrator may require, assign, transfer, and deliver to the Administrator (without recourse or warranty, except that the mortgagee must warrant that no act or omission of the mortgagee has impaired the validity and priority of the

mortgage, that the amount stated in the instrument of assignment is actually due and owing under the mortgage, that there are no offsets or counterclaims thereto, and that the mortgagee has a good right to assign the mortgage and the other items enumerated below):

(1) All rights and interests arising under the mortgage so in default;

(2) All claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction;

(3) All policies of title or other insurance or surety bonds or other guaranties and any and all claims thereunder;

(4) Any balance of the mortgage loan not advanced to the mortgagor;

(5) Any cash or property held by the mortgagee or to which it is entitled, as deposits made for the account of the mortgagor and which have not been applied in reduction of the principal of the mortgage indebtedness; and

(6) All records, documents, books, papers, and accounts relating to the mortgage transaction.

Nothing contained in this paragraph shall be so construed as to prevent the mortgagee from taking action at a later date than herein specified, provided the Administrator agrees in writing.

(b) *By conveyance of property.*—If the mortgagor fails to make any payment to the mortgagee required by the mortgage, or to perform any other covenant or obligation under the mortgage, and such failure continues for the period of grace, if any, set forth in the mortgage, the mortgage shall be considered in default and the mortgagee, within the period set forth in the contract of insurance after the occurrence of a default arising on account of such failure to make any such payment or within the period set forth in the contract of insurance after the mortgagee shall have knowledge of the occurrence of a default arising on account of such failure to perform any other covenant or obligation under the mortgage, shall give notice in writing to the Administrator of such default. At any time within the period set forth in the contract of insurance from the date of such notice, the mortgagee, at its election, shall either—

(1) With, and subject to, the consent of the Administrator, acquire by means other than foreclosure of the mortgage, possession of, and title to, the mortgaged property; or

(2) Institute proceedings for the foreclosure of the mortgage: *Provided*, That if the laws of the State in which the mortgaged property is situated do not permit the institution of such proceedings within such period of time, the mortgagee shall institute such proceedings within sixty (60) days after the expiration of the time during which the institution of such proceedings is prohibited by such laws. Nothing contained in this paragraph shall be so construed as to prevent the mortgagee from taking

action at a later date than herein specified, provided the Administrator so agrees in writing. The mortgagee shall promptly give notice in writing to the Administrator of the institution of foreclosure proceedings under this paragraph and shall exercise reasonable diligence in prosecuting such proceedings to completion.

If after default and prior to the completion of foreclosure proceedings the mortgagor shall pay to the mortgagee all periodic payments in default and such expenses as the mortgagee shall have incurred in connection with the foreclosure proceedings, notice thereof shall be given to the Administrator by the mortgagee, and the insurance shall continue as if such default had not occurred.*† [Art. V, par. 1]

§ 533.6 *Computation of benefits received by assignment.* If the mortgagee elects to proceed under, and does proceed under and in accordance with, the provisions of Section 533.5 (a), and furnishes evidence satisfactory to the Administrator that there are no past due and unpaid ground rents, general taxes, or special assessments, and furnishes the warranties described in said Section 533.5 (a), the Administrator shall deliver to the mortgagee—

(a) Debentures of the Housing Insurance Fund as set forth in Section 207 of the Act, having a total face value equal to the original face amount of the mortgage plus such amounts as have been paid by the mortgagee for (1) taxes, special assessments, and water rates, which are liens prior to the mortgage; (2) insurance on the property; and (3) expenses for the completion or preservation of the property, subsequent to the default, and which have been approved by the Administrator, as reasonable and necessary; less the sum of (i) that part of the amount of the principal obligation that has been repaid, (ii) an amount equivalent to the two per centum (2%) of the principal amount of the mortgage advanced to the mortgagor and unpaid, and (iii) any net income received by the mortgagee from the property: *Provided*, That such debentures shall be issued in multiples of \$50 and any difference, not in excess of \$50, between the amount of debentures to which the mortgagee is otherwise entitled hereunder and the aggregate face value of the debentures issued shall be paid in cash by the Administrator to the mortgagee. Such debentures shall be dated as of the date of such assignment, transfer, and delivery, and shall bear interest from such date at a rate to be determined by the Administrator, at the time the mortgage is insured, but not to exceed three per centum (3%) per annum, payable semiannually on the first day of January and the first day of July of each year, and shall mature three (3) years after the first day of July following the maturity date of the mortgage in exchange for which the debentures were issued. Such debentures shall be regis-

tered as to principal and interest and all or any such debentures may be redeemed at the option of the Administrator, with the approval of the Secretary of the Treasury, at par and accrued interest on any interest payment date on three (3) months' notice of redemption given in such manner as the Administrator shall prescribe.

(b) A certificate of claim in accordance with Section 207 (h) of the Act which shall become payable, if at all, upon the sale and final liquidation of the interest of the Administrator in such property, in accordance with Section 207 (h) of the Act. This certificate shall be for an amount which the Administrator determines to be sufficient, when added to the face value of the debentures issued and the cash adjustment paid to the mortgagee, to equal the amount which the mortgagee would have received if, on the date of the assignment, transfer and delivery to the Administrator provided for in Section 533.5 (a), the mortgagor had extinguished the mortgage indebtedness by payment in full of all obligations under the mortgage. Such certificate of claim shall provide that there shall accrue to the holder of such certificate, with respect to the face amount of such certificate, an increment at the rate of three per centum (3%) per annum, which shall not be compounded. If any excess is realized from the mortgage, and all claims in connection therewith so assigned, transferred and delivered, and from the property covered by such mortgage and all claims in connection with such property, after deducting all expenses incurred by the Administrator in handling, dealing with, acquiring title to, and disposing of such mortgage and property and in collecting such claims, such excess shall be applied in payment of the certificate of claim and any balance thereafter shall be paid to the mortgagor, as provided in Section 207 (h) (1) of the Act.*† [Art. V, par. 2]

§ 533.7 *Computation of benefits received by conveyance.* If the mortgagee elects to proceed under, and does proceed under and in accordance with, the provisions of Section 533.5 (b), and at any time within thirty (30) days (or such further time as may be allowed by the Administrator in writing) after acquiring title to and possession of the mortgaged property in accordance with such Section 533.5 (b), tenders to the Administrator possession of, and a deed containing a covenant which warrants against acts of the mortgagee and all claiming by, through, or under it conveying title to, such property, satisfactory to the Administrator, as provided in Section 533.8, and assigns (without recourse or warranty) any and all claims which it has acquired in connection with the mortgage transaction and as a result of the foreclosure proceedings or other means by which it acquired such property, including any claim on account

of title insurance and fire, or other hazard insurance, except such claims as may have been released with the prior approval of the Administrator, the Administrator shall promptly accept conveyance of such property and such assignment, notwithstanding that the buildings or improvements thereon may be incomplete, or may have been destroyed, damaged, or injured in whole or in part, and shall deliver to the mortgagee—

(a) Debentures of the Housing Insurance Fund as set forth in Section 204 of the Act, in a principal amount equal to the principal of the mortgage which has been advanced with the written approval of the Administrator and which is unpaid on the date of the institution of foreclosure proceedings or the acquisition of the property after default other than by foreclosure, plus the amount of all payments which have been made by the mortgagee for taxes, ground rents, and water rates, which are liens prior to the mortgage, special assessments which are noted on the application for insurance or which become liens after the insurance of the mortgage, insurance on the mortgaged property, and any mortgage insurance premiums paid after either of such dates, less any amount received on account of the mortgage, and any amount received as rent or other income from the property, after deducting therefrom reasonable expenses incurred in handling the property, after either of such dates: *Provided*, That such debentures shall be issued in multiples of \$50 and any difference, not to exceed \$50, between the amount of debentures to which the mortgagee is otherwise entitled hereunder and the aggregate face value of the debentures issued shall be paid in cash. Such debentures shall be dated as of the date foreclosure proceedings were instituted, or the property was otherwise acquired by the mortgagee after default, and shall bear interest from such date at a rate to be determined by the Administrator at the time the mortgage is offered for insurance, but not to exceed three per centum (3%) per annum, payable semiannually on the first day of January and the first day of July of each year, and shall mature three (3) years after the first day of July following the maturity date of the mortgage on the property in exchange for which the debentures were issued. Such debentures shall be registered as to principal and interest and all or any such debentures may be redeemed at the option of the Administrator, with the approval of the Secretary of the Treasury, at par and accrued interest on any interest payment date on three (3) months' notice of redemption given in such manner as the Administrator shall prescribe.

(b) A certificate of claim in accordance with Section 204 (e) of the Act, which shall become payable, if at all, upon the sale and final liquidation of the interest of the Administrator in such

property, in accordance with Section 204 (f) of the Act. This certificate shall be for an amount which the Administrator shall determine to be sufficient to pay all amounts due under the mortgage and not covered by the amount of debentures and shall include a reasonable amount for necessary expenses incurred by the mortgagee in connection with the foreclosure proceedings or the acquisition of the mortgaged property otherwise and the conveyance thereof to the Administrator. Each such certificate of claim shall provide that there shall accrue to the holder thereof with respect to the face amount of such certificate, an increment at the rate of three per centum (3%) per annum, which shall not be compounded. If any excess is realized from the property conveyed to the Administrator and the claims assigned therewith, after deducting all expenses incurred by the Administrator in handling, dealing with, and disposing of such property and in collecting such claims, such excess shall be applied in payment of the certificate of claim and any balance thereafter shall be paid to the mortgagor, as provided in Section 204 (f) of the Act.*† [Art. V, par. 3]

§ 533.8 *Title in case of assignment.* Title satisfactory to the Administrator within the meaning of Section 533.7 will be such title as was vested in the mortgagor as of the date the mortgage was filed for record, free and clear of all liens and encumbrances which may have attached, or defects which may have arisen subsequent to the recording of such mortgage, except such liens or other matters as may be approved by the Administrator. The Administrator will not object to the title because of mechanics' liens excepted from the title evidence as unfled at the date of recording of the mortgage or of any advance thereunder, provided that advances under the mortgage are disbursed with the approval of the Administrator and that the certification of a title insurer or title attorney satisfactory to the Administrator be obtained to the effect that, as of the date of each advance, no lien appeared of record and the title policy or title opinion had been extended accordingly.*† [Art. V, par. 4]

§ 533.9 *Evidence of title.* The mortgagee, at the time a deed is tendered in accordance with Section 533.7, shall furnish to the Administrator without expense to him satisfactory evidence of such title. Such title evidence shall be executed as of a date to include the recordation of the deed to the Administrator and, at the option of the mortgagee, may be in the form of an owner's policy of title insurance, or a satisfactory abstract and attorney's opinion covering the period subsequent to the recording of the mortgage, or a satisfactory continuation of the title evidence accepted by the Administrator at the time the mortgage was insured.*† [Art. V, par. 5]

§ 533.10 *Fire and hazard insurance.* The mortgagee without cost, or expense

to the Administrator shall, in default of the mortgagor, keep the mortgaged premises insured against fire and other hazards as provided in the mortgage. In the event the mortgagee fails to pay any premiums necessary to keep the mortgaged premises so insured and such failure shall continue for fifteen (15) days after receipt of written notice of such failure from the Administrator to the mortgagee, the contract of insurance shall, at the election of the Administrator, thereupon terminate. In the event a loss has occurred to the mortgaged property under any policy of fire or other hazard insurance and the amount of any funds received by the mortgagee in payment of such loss shall be sufficient to pay in full the entire mortgage indebtedness, the mortgage shall, upon receipt of such funds by the mortgagee, be deemed paid and the contract of mortgage insurance made with the Administrator shall thereupon terminate. If, however, any funds so received shall be insufficient to pay such mortgage indebtedness in full, the mortgagee shall not exercise its option under the mortgage to use the proceeds of such insurance for the repairing, replacing, or rebuilding of such premises or to apply such proceeds to the mortgage indebtedness without prior written approval of the Administrator. If the Administrator shall fail to give his approval to the use or application of such funds for either of said purposes within fifteen (15) days after written request by the mortgagee, the mortgagee may use or apply such funds for any of the purposes specified in the mortgage without the approval of the Administrator.*† [Art. V, par. 6]

§ 533.11 *Mortgage default.* If after the mortgage becomes in default, as provided in Section 533.5, the mortgagee does not make the assignment provided in Section 533.6, or does not foreclose or otherwise acquire the mortgaged property and make the conveyance provided in Section 533.7, and written notice thereof is given to the Administrator, or in the event that the mortgagor pays the obligation under the mortgage in full prior to the maturity thereof and the mortgagee pays the adjusted premium charge required under the provisions of Section 533.3 of these Regulations and written notice thereof is given to the Administrator, the obligation to pay the annual premium charge shall cease, and all rights of the mortgagee and the mortgagor under Sections 533.6 and 533.7 shall terminate as of the date of such notice.*† [Art. V, par. 7]

§ 533.12 *Termination.* In the event that the mortgagee fails to comply with the provisions of Sections 533.5 (a) and 533.6, or Sections 533.5 (b) and 533.7, then the contract of insurance shall thereupon terminate.*† [Art. V, par. 8]

Assignments

§ 533.13 *In general.* Bonds or other obligations issued in connection with an insured mortgage executed in the form

of an indenture of trust providing for the issue and sale of such bonds or other obligations and appointing a trustee to act on behalf of the holders of such bonds or other obligations may be transferred as provided in the indenture of trust.

An insured mortgage other than a mortgage executed in the form of an indenture of trust providing for the issue and sale of bonds or other obligations and appointing a trustee to act on behalf of the holders of such bonds or other obligations may be transferred (but, except with the written approval of the Administrator, only subsequent to full disbursement of the mortgage loan) to a transferee who may be a mortgagee previously approved by the Administrator or who may be approved at the time of such transfer as a mortgagee responsible and able to service such insured mortgage. Upon such approval and transfer and the assumption by the transferee of all obligations under the contract of insurance, the transferor shall be released from its obligations under the contract of insurance.*† [Art. VI, pars. 1-2]

§ 533.14 *Termination of mortgage insurance by assignment.* The contract of insurance shall terminate with respect to mortgages described in Section 533.13 upon the happening of either of the following events:

(a) The acquisition of the insured mortgage by or the pledge thereof to any person, firm, or corporation, public or private, except as specifically provided in such Section 533.13.

(b) The disposal by a mortgagee of any partial interest in the insured mortgage by means of a declaration of trust or by a participation or trust certificate or by any other device, unless with the prior written approval of the Administrator: *Provided*, That this paragraph (b) shall not be applicable to any mortgage so long as it is held in a common trust fund maintained by a bank or trust company (1) exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank or trust company in its capacity as a trustee, executor or administrator; and (2) in conformity with the rules and regulations prevailing from time to time of the Board of Governors of the Federal Reserve System, pertaining to the collective investment of trust funds.*† [Art. VI, par. 3]

Rights in Housing Fund

§ 533.15 *No vested right.* Neither the mortgagee nor the mortgagor shall have any vested or other right in the Housing Insurance Fund.*† [Art. VII]

Amendments

§ 533.16 *Amendments to regulations.* These Regulations may be amended by the Administrator at any time and from time to time, in whole or in part, but such amendments shall not affect the contract of insurance on any mortgage already insured or any mortgage or prospective mortgage on which the Administrator has made a commitment to insure.*† [Art. VIII]

Effective Date

§ 533.17 *Effective date.* These Regulations shall be effective as to all mortgages with respect to which a commitment to insure is issued on or after the date hereof. The Administrator with the consent of the mortgagor and the mortgagee may, subject to such conditions as he may impose, amend to conform to these Regulations any contract of insurance or any commitment to insure, issued prior to February 3, 1938. Any mortgagee entitled to receive debentures upon default of a mortgage insured prior to February 3, 1938, may elect to receive, in lieu of such debentures, a cash adjustment and debentures issued as provided in Section 533.7 and bearing interest at the rate current at the time of such election.*† [Art. IX]

Issued at Washington, D. C., June 30, 1939.

STEWART McDONALD,
Federal Housing Administrator.

AMENDMENT TO ADMINISTRATIVE REGULATIONS OF THE FEDERAL HOUSING ADMINISTRATOR FOR MULTIFAMILY AND GROUP HOUSING INSURANCE UNDER SECTION 210 OF TITLE II OF THE NATIONAL HOUSING ACT

Section 210 of the National Housing Act was repealed effective June 3, 1939. However, applications for mortgage insurance under such section received by the Administrator prior to June 3 may be committed upon if conforming with Section 210, Rules and Regulations of the Administrator, revised February 15, 1938, as set out in Federal Housing Administration Form No. 2012, amended as follows: The first sentence of Section 535.9 (a) of said Administrative Regulations is amended to read as follows:

"(a) Debentures of the Housing Insurance Fund as set forth in Section 204 of the Act, in a principal amount equal to the principal of the mortgage which has been advanced with the written approval of the Administrator and which is unpaid on the date of the institution of foreclosure proceedings, or on the date of the acquisition of the property otherwise after default, plus the amount of all payments which have been made by the mortgagee for taxes, ground rents, and water rates, which are liens prior to the mortgage, special assessments which are noted on the application for insurance or which become liens after the insurance of the mortgage, insurance on the mortgaged property, and any mortgage insurance premiums paid after either of such dates, less any amount received on account of the mortgage, and any amount received as rent or other income from the property after deducting therefrom reasonable expenses incurred in handling the property, subsequent to either of such dates: *Pro-*

vided, That such debentures shall be issued in multiples of \$50 and any difference, not to exceed \$50, between the amount of debentures to which the mortgagee is otherwise entitled hereunder and the aggregate face value of the debentures issued shall be paid in cash." [Art. V, par. 3]

Issued at Washington, D. C., June 30, 1939.

STEWART McDONALD,
Federal Housing Administrator.

[F. R. Doc. 39-2806; Filed, July 29, 1939; 12:22 p. m.]

TITLE 41—PUBLIC CONTRACTS

DIVISION OF PUBLIC CONTRACTS

IN THE MATTER OF THE DETERMINATION OF THE PREVAILING MINIMUM WAGE IN THE PHOTOGRAPHIC SUPPLIES INDUSTRY

This matter is before me pursuant to Section 1 (b) of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C. Sup. III 35), entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", (hereinafter called the Act). The Public Contracts Board, created in accordance with Section 4 of said Act by Administrative Order dated October 6, 1936, held a hearing on November 29, 1938 in the above entitled matter.¹

Notice of this hearing was sent to all known members of the industry, trade associations, the trade publications, and the trade unions. Invitation to attend the hearing was extended through the national press to all other interested parties.

Appearances were entered and testimony given by representatives of industry and labor.

A survey of the wages paid in the industry was made by a committee of the industry. The wage data obtained by this survey were tabulated by the Research Section, Division of Public Contracts, Department of Labor. This survey and the tabulation did not include the wages of employees engaged in the manufacture of 35 millimeter cameras, 35 millimeter projectors, and accessories therefor.

On the basis of the record, the Board made its findings in the matter of the prevailing minimum wage for the photographic supplies industry as hereinafter defined and recommended that I find the prevailing minimum wage in this industry to be 40 cents an hour or \$16.00 per week of forty hours. On May 31, 1939, the Administrator, Division of Public Contracts, circularized the Board's findings and recommendations in order that all parties might have full opportunity to register their objections or approval before the decision in the matter was made by the Secretary of Labor.

¹ 3 F.R. 2693 DI.

No objections to the proposed minimum wage rate were filed with the Administrator, but a request was made for a special provision permitting the employment of learners in accordance with the provisions of the industry's Voluntary Code of Fair Competition on the ground that the volume of business at the time the wage survey was made was abnormally low and did not reflect the industry's genuine need for learners at certain periods. In view of the provision in the Voluntary Code drawn up and approved by the great majority of the industry and the prevailing practice it indicates, I am allowing a learner tolerance of not more than five (5) percent of the employees on the payroll for a period of sixty (60) days to be paid not less than eighty (80) percent of the minimum, or 32 cents an hour.

In view of the fact that the evidence of record did not include wage data for the manufacture of 35 millimeter cameras, projectors, and accessories therefor, these products will not be considered products of the photographic supplies industry as defined for purposes of this decision.

The Census of Manufactures for 1935 shows that the industry is located predominantly in the States of New York and Illinois. In 1935 there were 40 establishments in New York and 23 in Illinois. These 63 establishments in the two States employed 88 percent of all the employees in the industry in 1935. The establishments of the State of New York alone employed more than 80 percent of the employees in the industry during that year. The Census of Manufactures reported that in 1937 there were 18,450 wage earners engaged in the manufacture of photographic apparatus and materials and projection apparatus. The wage data considered by the Board covered 13,573 wage earners employed by 41 firms located in Illinois, Iowa, Minnesota, Michigan, Indiana, Massachusetts, New Jersey, New York, and Missouri. Employees exempted from the Public Contracts Act were not included in the wage survey made, and the Board advises me that the wage data presented at the hearing represents in excess of 75 percent of all employees of the photographic supplies industry who would be affected by the Public Contracts Act.

It appears that the wage data are adequate to show the wage structure prevailing in the photographic supplies industry. The evidence of record shows that 855 or 6.3 percent of the employees covered by the survey receive wages in the interval from 37.5 to 42.5 cents an hour. Only 1.9 percent or 252 wage earners receive less than 37.5 cents an hour. This marked concentration of employees in the wage interval from 37.5 to 42.5 cents an hour shows the prevailing minimum wage of all employees covered by the survey. The midpoint or

40 cents an hour appears to be a prevailing minimum wage in the industry in its several locations. The evidence shows that in the case of New York, 4.65 percent of the wage earners receive less than 40 cents an hour, and in the case of Illinois, 11 percent receive under 40 cents an hour. From a combined standpoint, 40 cents an hour appears to be the prevailing minimum wage of 92.7 percent of the workers engaged in those two States. The first concentration in the wage data for the States of Iowa, Minnesota, Michigan, and Indiana combined also occurs in the 37.5 to 42.5-cent interval. This also shows the prevailing minimum wage to be 40 cents an hour in these States. In the States of Massachusetts, New Jersey and Missouri combined, there are found only 5.8 percent of all wage earners included in the survey and 40 cents seems to be a commonly paid rate.

It is noted that there exists in the industry a practice whereby the employees of the industry for the sake of convenience pay, through the instrumentality of the employer's disbursing office, certain obligations. Whether or not such practice contravenes the provisions of Section 1 (b) of the Act must be decided only upon full disclosure of all facts involved.

Where there exists at the plant of any bidder on Government contracts subject to the provisions of the Public Contracts Act a practice of so using its disbursing office for the convenience of its employees, and where this practice has been in existence at the plant for a long continued period of time, the bidder should submit a full statement of the facts to the Administrator, Division of Public Contracts, for a determination as to whether or not the practice contravenes the provisions of Section 1 (b) of the Act.

I have examined the findings and recommendations of the Board and the record of hearing, together with the briefs filed, and in the light of the facts I hereby determine—

The prevailing minimum wage for employees engaged in the performance of contracts with the United States Government subject to the provisions of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C., Sup. III 35), for the manufacture and supply of cameras, including motion-picture cameras (except 35 millimeter); photostat and blueprint machines; tripods, film rewinders and reels, shutters, and other photographic accessories (except 35 millimeter); such equipment as flashlight apparatus, plate holders, developing apparatus; supplies such as films, photographic paper, and plates; and projectors of all types (except 35 millimeter), to be 40 cents an hour or \$16.00 per week of forty hours, arrived at either upon a time or piece work basis; provided that learners may be employed at lower rates for a period of not to exceed

sixty (60) days if the total number of such workers in any one establishment does not exceed five (5) percent of the workers on the payroll, and if such learners are paid not less than eighty (80) percent of the minimum wage as determined, or 32 cents an hour or \$12.80 per week of forty hours, arrived at either upon a time or piece work basis.

This determination shall be effective and the minimum wage hereby established shall apply to all such contracts, bids for which are solicited on or after August 14, 1939.

[SEAL]

FRANCES PERKINS,
Secretary of Labor.

Dated: July 28, 1939

[F. R. Doc. 39-2819; Filed, July 31, 1939;
12:38 p. m.]

IN THE MATTER OF THE DETERMINATION OF THE PREVAILING MINIMUM WAGES IN THE SOAP INDUSTRY

This matter is before me pursuant to Section 1 (b) of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C., Sup. III 35) entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes" (hereinafter called the Act). The Public Contracts Board, created in accordance with Section 4 of the said Act by Administrative Order dated October 6, 1936, held a hearing in the matter of the prevailing minimum wages in the soap industry on July 13, 1938.

Notice of the hearing was sent to all known members of the industry, to trade unions, to trade publications, and to trade associations in the field. Invitation to attend the hearing was extended through the national press to all other interested parties.

Testimony was given at the hearing by industry members and by the Association of American Soap and Glycerin Producers, Inc. No representative of organized labor appeared at the hearing.

A survey of the wages paid in the soap industry during the month of January 1938 was presented in evidence.

On the basis of the evidence and the testimony, the Board made its recommendations. Thereafter, the Administrator of the Division of Public Contracts circularized the recommendations and gave parties a reasonable period of time in which to register their objection thereto or their approval thereof before any determination in the matter should be made.

The survey of the wages paid in the soap industry made by the Bureau of Labor Statistics covered the manufacture of soap in bars, cakes, chips, and flakes, and in granulated, powdered, paste, and liquid forms, and glycerin; cleansers containing soap, scouring powders, and shaving soaps and creams containing soap, and washing compounds

containing soap. The survey covered 7,143 wage earners in 72 establishments, representing approximately 50 percent of the total wage earners in the industry. The survey covered plants located in all of the principal producing States, and it is believed to be sufficiently representative of the wage conditions existing in the soap industry.

The only objections filed are to the Board's failure to recommend a tolerance for a group of workers known in the industry as "light task workers."

The evidence shows that the "light task workers" constitute a part of the unskilled workers in the industry. The wage distribution of unskilled workers in the industry including the "light task workers" was considered by the Board in making its findings of fact and recommendations in this matter.

The evidence of wages paid in the industry reveals a fairly wide spread of earnings. The effective range is from 32.5 cents to \$1.125 with 97 percent of the workers found within these limits. The wage distribution of unskilled workers in the industry, which workers include the minimum wage employees, is within the same range.

The Board has recommended that I find that 40 cents an hour is the prevailing minimum wage in the soap industry. The first substantial concentration of unskilled workers is in the wage interval between 37.5 and under 42.5 cents, at which point 303 employees out of a total of 3,165, or 9.6 percent of the unskilled workers in the industry, are found. In the 5-cent interval immediately below are found 129 employees, or 4.1 percent of the unskilled employees. The unskilled workers receiving less than 32.5 cents are distributed in insignificant concentrations, and I find that the Board's recommendation as to the prevailing minimum wage in the industry was proper.

The Board, in its recommendations, was of the opinion that the data with respect to the Southern establishments in the industry were insufficient to justify the setting up of a geographical wage differential. The Board recommended that, if Southern firms should in the future be deprived of Government contracts because of a wage determination for the soap industry, they be given another opportunity to furnish complete information with respect to the wages paid in this industry in the Southern States for further consideration. I find that the data with respect to the wages in the South in this industry are insufficient to indicate that there is any significant difference in the prevailing minimum wage in the South and the rest of the country. If, however, the Southern firms should be deprived of Government contracts because of this wage determination, they will be given another opportunity to file complete information

regarding the wages paid in the South for further consideration.

Upon all the evidence submitted in this matter, including the briefs filed,

I hereby determine:

That the minimum wages for employees engaged in the performance of contracts with agencies of the United States Government, subject to the provisions of the Public Contracts Act (49 Stat. 2036; 41 U.S.C. Sup. III 35) for the manufacture or supply of soap in bars, cakes, chips, and flakes, and in granulated, powdered, paste, and liquid forms, and glycerin; cleansers containing soap, scouring powders, and shaving soaps, and creams containing soap, and washing compounds containing soap, shall be 40 cents an hour, or \$16.00 per week of 40 hours, arrived at either upon a time or piece work basis.

This determination shall be effective, and the minimum wages hereby established shall apply to all such contracts, bids for which are solicited on or after August 14, 1939.

[SEAL]

FRANCES PERKINS,
Secretary of Labor.

Dated July 28, 1939.

[F. R. Doc. 39-2820; Filed, July 31, 1939;
12:38 p. m.]

Notices

DEPARTMENT OF AGRICULTURE.

Division of Marketing and Marketing Agreements.

DETERMINATION OF THE SECRETARY OF AGRICULTURE APPROVED BY THE PRESIDENT OF THE UNITED STATES WITH RESPECT TO AN ORDER, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE LA PORTE COUNTY, INDIANA, MARKETING AREA

Whereas, the Secretary of Agriculture, pursuant to the terms and provisions of Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, having reason to believe that execution of an amendment to a tentatively approved marketing agreement, as amended, and issuance of an order, as amended, both of which regulate the handling of milk in the La Porte County, Indiana, marketing area, would tend to effectuate the declared policy of the act, gave, on the 18th day of May, 1939, notice of a public hearing¹ to be held on the 23d day of May, 1939, at La Porte, Indiana, on proposed amendments of said tentatively approved marketing agreement, and of said order, and on May 23 and 24 and at said place conducted a public hearing at which all interested parties were af-

forded an opportunity to be heard on the said proposed amendments; and

Whereas, after said hearing and after the tentative approval by the Secretary, on the 30th day of June, 1939, of a marketing agreement, as amended, handlers of more than 50 percent of the volume of milk covered by such proposed order, as amended, which is marketed within the La Porte County, Indiana, marketing area, refused or failed to sign such tentatively approved marketing agreement, as amended, relating to milk;

Now, therefore, the Secretary of Agriculture, pursuant to the authority vested in him by said act, hereby determines:

(1) That the refusal or failure of said handlers to sign said tentatively approved marketing agreement, as amended, tends to prevent the effectuation of the declared policy of the act;

(2) That the issuance of the proposed order, as amended, is the only practical means, pursuant to such policy, of advancing the interest of producers of milk which is produced for sale in said area; and

(3) That the issuance of the proposed order, as amended, is approved or favored by over two-thirds of the producers who participated in a referendum conducted by the Secretary, and who, during the month of April, 1939, said month having been determined by the Secretary to be a representative period, were engaged in the production of milk for sale in said area.

In witness whereof, Harry L. Brown, Acting Secretary of Agriculture of the United States, has executed this determination in duplicate, and has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed hereto in the city of Washington, District of Columbia, this 28th day of July 1939.

[SEAL]

HARRY L. BROWN,
Acting Secretary of Agriculture.

Approved:

FRANKLIN D. ROOSEVELT
The President of the United States.

Dated July 28, 1939.

[F. R. Doc. 39-2813; Filed, July 31, 1939;
11:40 a. m.]

Farm Security Administration.

[Administration Order 231, Revision 3¹]

DETERMINATION OF THE EQUITABLE DISTRIBUTION OF FUNDS APPROPRIATED FOR THE FISCAL YEAR ENDING JUNE 30, 1940, PURSUANT TO TITLE I OF THE BANKHEAD-JONES FARM TENANT ACT

JULY 21, 1939.

I. Pursuant to the provisions of Section 4 of Title I of the Bankhead-Jones

¹ 4 F.R. 2076 DI.

¹ Supersedes AO 231, Rev. 2, 4 F.R. 2080 DI.

Farm Tenant Act, there is attached hereto as Exhibit A a schedule representing the equitable distribution of the money appropriated for the purposes of Title I, for the fiscal year ending June 30, 1940, among the several states and territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary of Agriculture.

II. The unencumbered balances of the previous fiscal year's allotment remaining in each state and territory will be withdrawn as of June 30, 1939, and redistributed equitably to the states and territories on the basis of farm population and the prevalence of tenancy as determined by the Secretary of Agriculture, and a revised schedule of allotments will be issued immediately thereafter.

III. No allotment shall be made to any state or territory in excess of the amounts so distributed.

[SEAL] H. A. WALLACE,
Secretary of Agriculture.

Recommended:

WILL W. ALEXANDER,
Administrator.

EXHIBIT A

Equitable Distribution of Loan Funds Available for the Fiscal Year Ending June 30, 1940, for Title I of the Bankhead-Jones Farm Tenant Act (as Revised)

Region I.....	\$1,228,285
Connecticut.....	28,673
Delaware.....	46,365
District of Columbia.....	346
Maine.....	34,967
Maryland.....	180,307
Massachusetts.....	27,767
New Hampshire.....	15,225
New Jersey.....	70,510
New York.....	305,652
Pennsylvania.....	473,554
Rhode Island.....	8,237
Vermont.....	36,682
Region II.....	1,822,676
Michigan.....	438,181
Minnesota.....	855,991
Wisconsin.....	528,504
Region III.....	5,453,415
Illinois.....	1,242,544
Indiana.....	739,582
Iowa.....	1,317,351
Missouri.....	1,259,951
Ohio.....	893,937
Region IV.....	6,342,916
Kentucky.....	1,331,295
North Carolina.....	2,102,533
Tennessee.....	1,658,604
Virginia.....	852,701
West Virginia.....	397,783
Region V.....	6,847,852
Alabama.....	2,453,013
Florida.....	245,582
Georgia.....	2,530,611
South Carolina.....	1,618,646
Region VI.....	5,997,883
Arkansas.....	1,943,008
Louisiana.....	1,501,979
Mississippi.....	2,552,896
Region VII.....	2,441,665
Kansas.....	764,803
Nebraska.....	785,503

Region VII—Continued.

North Dakota.....	\$413,698
South Dakota.....	477,661
Region VIII.....	5,044,498
Oklahoma.....	1,675,100
Texas.....	3,369,398
Region IX.....	473,982
Arizona.....	48,881
California.....	362,506
Nevada.....	6,078
Utah.....	56,517
Region X.....	411,491
Colorado.....	215,452
Montana.....	148,407
Wyoming.....	47,632
Region XI.....	488,013
Idaho.....	155,601
Oregon.....	148,116
Washington.....	184,296
Region XII.....	579,137
New Mexico.....	98,717
Colorado.....	80,105
Texas.....	285,265
Oklahoma.....	30,242
Kansas.....	84,808

Territories.....	\$863,187
Alaska.....	2,063
Hawaii.....	322,260
Puerto Rico.....	543,864
Continental U. S. and Territories.....	38,000,000

[F. R. Doc. 39-2805; Filed, July 29, 1939; 11:46 a. m.]

DEPARTMENT OF LABOR.

Wage and Hour Division.

NOTICE OF ISSUANCE OF SPECIAL CERTIFICATES FOR THE EMPLOYMENT OF LEARNERS

Notice is hereby given that Special Certificates for the employment of learners at wages lower than the minimum wage applicable under Section 6 of the Fair Labor Standards Act of 1938 are issued to the following employers, subject to the following terms:

Name of firm	Number of learners	Industry	Occupation	Period	Beginning	Percent of minimum wage
Brookfield-Garrison Mfg. Company, Warrensburg, Mo.	15	Apparel (pants and shirts).	Stitching.	8 weeks.	Aug. 1, 1939	75
The Hollinger Shirt Company, Port Chester, N. Y.	15	Apparel (men's shirts).	Stitching.	8 weeks.	Aug. 1, 1939	75
Thomas P. Taylor Company, 140 James Street, Bridgeport, Conn.	20	Apparel (undergarments).	Stitching.	8 weeks.	Aug. 1, 1939	75

These Special Certificates are issued ex parte under Section 14 of the said Act and Section 522.5 (b) of Regulations Part 522, as amended. For fifteen days following the publication of this notice the Administrator will receive detailed written objections to any of these Special Certificates and requests for hearing from interested persons. Upon due consideration of such objections as provided for in said Section 522.5 (b) such Special Certificates, or any of them, may be cancelled as of the date of their issuance and certificates must be made in an amount equal to the difference between the applicable statutory minimum wage and any lesser wage paid such persons.

Signed at Washington, D. C., this 31st day of July 1939.

MERLE D. VINCENT,
Chief of Hearings and
Exemptions Section.

[F. R. Doc. 39-2809; Filed, July 31, 1939; 9:41 a. m.]

CIVIL AERONAUTICS AUTHORITY.

[Docket No. 258]

IN THE MATTER OF THE APPLICATIONS OF
THOMAS A. MORGAN AND PAN AMERICAN
AIRWAYS, INC., PACIFIC ALASKA AIR-

¹ 4 F.R. 2088 DL

WAYS, INC., PAN AMERICAN AIRWAYS CO. (DEL.), PAN AMERICAN AIRWAYS CO. (NEV.) FOR APPROVAL OF INTERLOCKING RELATIONSHIPS UNDER SECTION 409 (A)

NOTICE OF HEARING

The above-entitled proceeding is assigned for public hearing on August 10, 1939, 2 o'clock p. m. (Eastern Standard Time) at the Mayflower Hotel, Connecticut Ave. and DeSales St., N.W., Washington, D. C., before an Examiner.

Dated Washington, D. C., July 28, 1939.

By the Authority.

[SEAL] PAUL J. FRIZZELL,
Secretary.

[F. R. Doc. 39-2815; Filed, July 31, 1939; 11:45 a. m.]

[Docket No. 260]

IN THE MATTER OF THE APPLICATIONS OF
JOHN MERRYMAN FRANKLIN AND PAN
AMERICAN AIRWAYS, INC., PACIFIC
ALASKA AIRWAYS, INC., PAN AMERICAN
AIRWAYS CO. (DEL.), PAN AMERICAN
AIRWAYS CO. (NEV.), FOR APPROVAL OF
INTERLOCKING RELATIONSHIPS UNDER
SECTION 409 (a)

NOTICE OF HEARING

The above-entitled proceeding is assigned for public hearing on August 10, 1939, 10 o'clock a. m. (Eastern Standard Time) at the Mayflower Hotel, Connecti-

cut Ave. and DeSales St. NW., Washington, D. C., before an Examiner.

Dated Washington, D. C., July 28, 1939.
By the Authority.

[SEAL] PAUL J. FRIZZELL,
Secretary.

[F. R. Doc. 39-2816; Filed, July 31, 1939;
11:45 a. m.]

[Docket No. 285]

IN THE MATTER OF THE CERTIFICATION BY THE POSTMASTER GENERAL PURSUANT TO SECTION 401 (N) OF THE ACT WITH RESPECT TO THE TRANSPORTATION OF MAIL BY AIRCRAFT BETWEEN EL PASO, TEXAS AND ALBUQUERQUE, NEW MEXICO, BY WAY OF CARLSBAD, HOBBS AND ROSWELL, NEW MEXICO

NOTICE OF HEARING

The Postmaster General having certified to the Civil Aeronautics Authority, pursuant to Section 401 (n) of the Act, that the needs of the postal service require the transportation of mail by aircraft between El Paso, Texas and Albuquerque, New Mexico, by way of Carlsbad, Hobbs and Roswell, New Mexico, a public hearing will be held on August 17, 1939, at 10 o'clock a. m. (Mountain Standard Time) at the Hotel Cortez, El Paso, Texas, before Examiner C. Edward Leasure, in order to determine whether such transportation of mail is required by the public convenience and necessity.

Dated Washington, D. C., July 28, 1939.
By the Authority.

[SEAL] PAUL J. FRIZZELL,
Secretary.

[F. R. Doc. 39-2817; Filed, July 31, 1939;
11:45 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 26th day of July, A. D. 1939.

[File No. 43-226]

IN THE MATTER OF THE DAKOTA POWER COMPANY, GENERAL PUBLIC UTILITIES, INC.

ORDER RELATIVE TO DECLARATION AND APPLICATIONS

The Dakota Power Company, a subsidiary of General Public Utilities, Inc., a registered holding company, having filed a declaration pursuant to Section 7 of the Public Utility Holding Company Act of 1935 regarding the issue and sale of \$675,000 principal amount of its First Mortgage 4¼% Serial Bonds and \$337,000 principal amount of 4% Unsecured

Notes, due April 1, 1960; and General Public Utilities, Inc., having filed an application pursuant to Section 10 of the Act with regard to the acquisition by it of \$17,000 principal amount of the First Mortgage 4¼% Serial Bonds, Series B, and \$337,000 principal amount of 4% Unsecured Notes, due April 1, 1960, all of which are to be issued by The Dakota Power Company; and General Public Utilities, Inc., having filed an application pursuant to Rule U-12D-1 with regard to the sale by it of \$266,500 principal amount of First Mortgage 7% bonds, due September 1, 1943, and \$337,000 principal amount of 4% Unsecured Notes, due April 1, 1956, issued by The Dakota Power Company; and

A hearing on such declaration and applications having been held after appropriate notice,¹ the record in these matters having been examined, and the Commission having made and filed its findings herein;

It is ordered, That the declaration of The Dakota Power Company pursuant to Section 7 be and become effective forthwith subject to the conditions—

(1) That such issue and sale shall be effected in accordance with the terms and conditions of and for the purposes represented by said declaration; and

(2) That within ten days after such issue and sale the declarant file with this Commission a certificate of notification indicating that such issue and sale have been effected in accordance with the terms and conditions of, and for the purposes represented by, said declaration; and

It is further ordered, That the application of General Public Utilities, Inc., pursuant to Section 10 of the Act be and it hereby is approved subject to the following conditions:

(1) The acquisitions shall be effected in accordance with the terms and conditions of, and for the purposes represented by such application; and

(2) That within ten days after such acquisitions the applicant file with this Commission a certificate of notification indicating that such acquisitions have been effected in accordance with the terms and conditions of, and for the purposes represented by, said application; and

It is further ordered, That the application of General Public Utilities, Inc., filed pursuant to Rule U-12D-1 be and hereby is approved subject to the following conditions:

(1) That such sales shall be effected in accordance with the terms and conditions of, and for the purposes represented by said application; and

(2) That within ten days after said sale the applicant file with this Commission a certificate of notification show-

ing that such sales have been effected in accordance with the terms and conditions of, and for the purposes represented by said application; and

It is further ordered, That the application of The Dakota Power Company pursuant to Rule U-12C-1 of the Act be and hereby is approved subject to the following conditions:

(1) The acquisitions shall be effected in accordance with the terms and conditions of, and for the purposes represented by such application; and

(2) That within ten days after such acquisitions the applicant file with this Commission a certificate of notification indicating that such acquisitions have been effected in accordance with the terms and conditions of, and for the purposes represented by, said application.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-2802; Filed, July 29, 1939;
11:02 a. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 28th day of July A. D. 1939.

[File No. 1-2248]

IN THE MATTER OF SIMON SILVER-LEAD MINES, INC. COMMON CAPITAL STOCK, \$1 PAR VALUE

ORDER WITHDRAWING REGISTRATION OF SECURITIES ON A NATIONAL SECURITIES EXCHANGE

The Commission having instituted a proceeding pursuant to Section 19 (a) (2) of the Securities Exchange Act of 1934, as amended, to determine whether or not the registration on the San Francisco Mining Exchange of the common capital stock, \$1 par value, of Simon Silver-Lead Mines, Inc., should be suspended, or whether or not the registration of such stock should be withdrawn; and

After appropriate notice,¹ a hearing having been held, the Trial Examiner having filed an advisory report, and no exceptions thereto having been taken; and

The Commission having fully considered this matter and having entered its findings herewith;

It is ordered, Pursuant to Section 19 (a) (2) of the Securities Exchange Act of 1934, as amended, that the registration on the San Francisco Mining Exchange of the common capital stock, \$1 par value, of Simon Silver-Lead Mines, Inc., shall be and the same is

¹ 4 F.R. 2781 DL.

¹ 4 F.R. 1278 DL.

hereby withdrawn, effective as of August 7, 1939.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-2803; Filed, July 29, 1939;
11:02 a. m.]

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 28th day of July, A. D. 1939.

[File No. 32-109]

**IN THE MATTER OF STATEN ISLAND EDISON
CORPORATION**

**ORDER CONSENTING TO WITHDRAWAL OF
APPLICATION**

Staten Island Edison Corporation, having on October 15, 1938 filed an application pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935 for the issuance and sale of its 3¼% Five Year note in the principal amount of \$3,000,000; and

Staten Island Edison Corporation, by a letter dated July 10, 1939 and filed with this Commission on July 14, 1939, having requested that it be permitted to withdraw its application;

It is ordered, That upon the request of the applicant, the Commission consents to the withdrawal of the above-named application, and to that effect

It is so ordered.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-2804; Filed, July 29, 1939;
11:02 a. m.]

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 28th day of July, A. D. 1939.

[File No. 43-139]

**IN THE MATTER OF OKLAHOMA POWER AND
WATER COMPANY**

**ORDER RELATIVE TO EFFECTIVENESS OF
DECLARATION**

Oklahoma Power and Water Company, a subsidiary of the Middle West Corporation, a registered holding company, having filed with this Commission a declaration and amendments thereto pursuant to Section 7 of the Public Utility Holding Company Act of 1935, regarding the issue and sale of fifty-eight 5% unsecured promissory notes aggregating \$704,000 and maturing on various

dates and in various amounts between August 15, 1939 and July 15, 1943;

Public hearing thereon having been duly held after appropriate notice;¹ the record in this matter having been duly considered; and the Commission having filed its findings herein;

It is ordered, That such declaration be and become effective forthwith subject however, to the following conditions:

1. That the proposed issue and sale of said notes shall be effected in substantial compliance with the terms and conditions of, and for the purposes recommended by, said declaration as amended.

2. That within ten days after the issue and sale of said notes, the declarant shall file with this Commission a Certificate of Notification that the issue and sale have been effected in accordance with, and for the purposes represented by, said declaration.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-2810; Filed, July 31, 1939;
11:39 a. m.]

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 28th day of July 1939.

[File No. 1-876]

**IN THE MATTER OF THE STANDARD OIL
COMPANY OF KANSAS CAPITAL STOCK, \$10
PAR VALUE**

**ORDER GRANTING APPLICATION TO STRIKE
FROM LISTING AND REGISTRATION**

The New York Stock Exchange, pursuant to Section 12 (d) of the Securities Exchange Act of 1934, as amended, and Rule X-12D2-1 (b) promulgated thereunder, having made application to strike from listing and registration the Capital Stock, \$10 Par Value, of The Standard Oil Company of Kansas; and

After appropriate notice, a hearing having been held in this matter; and

The Commission having considered said application together with the evidence introduced at said hearing, and having due regard for the public interest and the protection of investors;

It is ordered, That said application be and the same is hereby granted, effective at the close of the trading session on August 7, 1939.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-2811; Filed, July 31, 1939;
11:39 a. m.]

¹ 4 F.R. 3405 DL.

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 31st day of July, A. D. 1939.

[File No. 31-62]

**IN THE MATTER OF JERSEY CENTRAL POWER
& LIGHT COMPANY**

**NOTICE OF AND ORDER FOR POSTPONEMENT
OF HEARING**

An application pursuant to section 2 (a) (8) of the Public Utility Holding Company Act of 1935 having been filed with this Commission by the above-named party;

Whereas it was ordered on July 19, 1939¹ that a hearing on such matter be held on August 8, 1939 at 10:00 o'clock in the forenoon of that day at the Securities and Exchange Building, 1778 Pennsylvania Avenue, NW., Washington, D. C.;

And whereas it is the desire of this Commission, having due regard to the interest of the public and the parties affected, that said hearing be postponed;

It is ordered, That said hearing be and hereby is postponed until August 15, 1939 at 10:00 o'clock in the forenoon of that day at the Securities and Exchange Building, 1778 Pennsylvania Avenue, NW., Washington, D. C., to be held in all other respects in accordance with the Commission's Order of July 19, 1939;

Notice of such postponement is hereby given to said applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers;

The matter concerned herewith is in regard to an application by the above-named party seeking an order of this Commission to the effect that it is not a subsidiary company within the terms of the Public Utility Holding Company Act of 1935.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-2812; Filed, July 31, 1939;
11:39 a. m.]

UNITED STATES TARIFF COMMISSION.

**INVESTIGATION ORDERED RELATIVE TO
COTTON TEXTILES**

INVESTIGATION NO. 2 UNDER SECTION 22 OF
THE AGRICULTURAL ADJUSTMENT ACT, AS
AMENDED

Institution of investigation. By direction of the President, dated July 26, 1939, the United States Tariff Commission on

¹ 4 F.R. 3387 DL.

the 26th day of July 1939 instituted, and hereby gives notice of an investigation, under Section 22 of the Agricultural Adjustment Act (of 1933), as amended, and Executive Order No. 7233 of November 23, 1935, for the purpose of determining whether

Articles and Materials Wholly or in Part of Cotton are being imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with the program under-

taken with respect to cotton, under the Soil Conservation and Domestic Allotment Act, as amended, or to reduce substantially the amount of any product processed in the United States from cotton.

Hearing. The date of hearing in this investigation has not yet been determined but will be announced subsequently.

Regulations. Copies of the regulations adopted for investigations under Section 22 may be obtained on application to the

United States Tariff Commission, Washington, D. C., or to the New York office of the Commission, Room 712, Custom House, New York City.

I hereby certify that the above investigation was ordered by the United States Tariff Commission on the 26th day of July 1939.

[SEAL]

SIDNEY MORGAN,
Secretary.

Notice issued July 29, 1939.

[F. R. Doc. 39-2801; Filed, July 28, 1939;
3:48 p. m.]